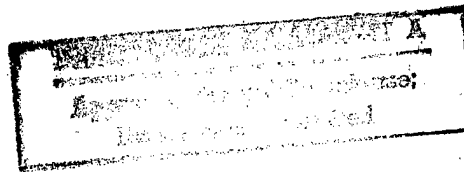


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2 August 1982



South and East Asia Report

No. 1174

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CONTENTS

INTER-ASIAN AFFAIRS

- India, Pakistan Sign New Indus Waters Pact
(THE SUNDAY STATESMAN, 20 Jun 82)..... 1

BANGLADESH

- Poor Performance of Economy Reported for 1981-82
(HOLIDAY, 27 Jun 82)..... 2
- Bangladesh Trade With ASEAN Countries Unbalanced
(THE NEW NATION, 27 Jun 82)..... 6
- Revenue Collection Expected To Be Short of Target
(HOLIDAY, 27 Jun 82)..... 8
- Asian Bank Approves Loan for Water Supply
(THE BANGLADESH OBSERVER, 27 Jun 82)..... 10
- Committee Recommends Trimming of Development Plan
(THE BANGLADESH TIMES, 26 Jun 82)..... 12
- Notes on Rice, Grant Assistance Signed With Japan
(THE BANGLADESH TIMES, 26 Jun 82)..... 13
- Briefs
Ambassador to Indonesia..... 15

INDIA

- Political Party Makeup of Electoral College Told
(PATRIOT, 17 Jun 82)..... 16

Paper Reports Concerns Over Election Commission (THE STATESMAN, 18 Jun 82).....	18
MP's Joint Statement Weakness of Commission	
CPI Leader Comments on Meeting With CPI-M (PATRIOT, 18 Jun 82).....	21
Gonsalves Tells Basis for Good Indo-U.S. Relations (THE TIMES OF INDIA, 19 Jun 82).....	22
Rajya Sabha Questions Gandhi on Antarctic Treaty (THE STATESMAN, 9 Jul 82).....	24
Paper Gives Details on Israeli Consul's Expulsion (THE TIMES OF INDIA, 9 Jul 82).....	25
Youth Front Organized To 'Protect' AIADMK Leader (THE TIMES OF INDIA, 9 Jul 82).....	26
Kashmir Youth Federation, National Conference Merge (THE TIMES OF INDIA, 9 Jul 82).....	27
Editorial Scores Conduct of Israeli Consul (THE TIMES OF INDIA, 10 Jul 82).....	29
Reportage on Gandhi 9 Jul Statement on Mideast (PATRIOT, 10 Jul 82, THE HINDU, 10 Jul 82).....	31
Statements in Both Houses Report From G. K. Reddy G. K. Reddy on Opposition Stance	
Malhotra Nominated Indian Representative to IMF (THE TIMES OF INDIA, 17 Jun 82).....	38
Malhotra Meets With Press on Return From Paris (THE TIMES OF INDIA, 19 Jun 82, THE STATESMAN, 19 Jun 82) 19 Jun 82).....	39
IDA Credit Uncertain Fears of Recession Discounted	
Sheikh's Son Urges Adoption of Resettlement Bill (PATRIOT, 19 Jun 82).....	41
Rao Addresses India-Arab Friendship Meeting (THE TIMES OF INDIA, 20 Jun 82).....	43
Kashmir Government's Anti-Palestine Stance Scored (PATRIOT, 20 Jun 82).....	44

Gandhi To Head Panel To Implement 20-Point Program (THE TIMES OF INDIA, 17 Jun 82).....	45
Report on UN Envoy's 10 Jul Speech at Special Session (THE HINDU, 11 Jul 82).....	46
India Urges PRC To Make Pricing Agreement (THE SUNDAY STATESMAN, 11 Jul 82).....	47
World Bank Studies Indian Economy, Pledges Aid (PATRIOT, 16 Jun 82).....	48
Businessmen's Group Makes Export Recommendations (THE TIMES OF INDIA, 16 Jun 82).....	51
Businessmen Meet Press on Return From PRC (PATRIOT, 20 Jun 82).....	53
CPI Secretariat Member Talks to Newsmen (PATRIOT, 20 Jun 82).....	55
Gandhi Invited by New Mauritian Government (PATRIOT, 20 Jun 82).....	57
Security Force Planned To Protect Harijans (THE STATESMAN, 9 Jul 82).....	59
'Enormous' Security Operation Planned for Asiad (THE TIMES OF INDIA, 16 Jun 82).....	60
Rao Answers Legislators' Questions on Pakistan (THE STATESMAN, 9 Jul 82).....	62
Indian Reaction to Conference Proposal 'Positive' (THE HINDU, 10 Jul 82).....	64
Improvement in Public Sector Performance Noted (THE HINDU, 10 Jul 82).....	65
Landing Permits for Foreigners To Continue (G. K. Reddy; THE HINDU, 10 Jul 82).....	66
Plans To Abolish Tourist Visas Proceed (THE TIMES OF INDIA, 15 Jun 82).....	67
Regional Hill Parties Forum Meets in Shillong (THE STATESMAN, 15 Jun 82).....	69
India Seen Unable To Fulfill 1982 Textile Contracts (THE TIMES OF INDIA, 17 Jun 82).....	71

Power-Generating Capacity To Be Raised Soon (THE STATESMAN, 21 Jun 82).....	72
Crude Oil Production Reported To Rise 30 Percent (PATRIOT, 17 Jun 82).....	74
Wholesale Prices Reported Rising Again (THE STATESMAN, 10 Jul 82).....	75
Briefs	
Gujarat Cabinet Change	76
French Loan	76
Palestinian Students	76
Soviet Experts Team	77
New Election Commissioner	77
Contract With ROK	77
New Extremist Organizations	78
Team to PRC	78
Return From PRC	78
'Headless' Missions	78
Envoy to Bangladesh	78

INDONESIA

Abramowitz Nomination Procedure Questioned (Annie Bertha Simamora; SINAR HARAPAN, 7 Jun 82).....	79
Review of Commitments Made at 25th IGGI Meeting (SINAR HARAPAN, 10 Jun 82).....	84
Ship Construction Capability Growing (SINAR HARAPAN, 5 Jun 82).....	86
Briefs	
New Reconnaissance Aircraft	88

INDIA, PAKISTAN SIGN NEW INDUS WATERS PACT

Calcutta THE SUNDAY STATESMAN in English 20 Jun 82 p 12

[Text]

JAMMU, June 19.—The Governments of India and Pakistan have recently signed a fresh agreement, under which suitable amendments have been made on the Indus Water Treaty, to enable India, especially Jammu and Kashmir, to have additional water supply from all those rivers which come under this treaty.

Announcing this in an interview here yesterday, the Union Irrigation Minister, Mr Kedar Pandey, said that the availability of additional water under the amended treaty, from rivers which were covered by it, would considerably help India to achieve the target to irrigation potential of 14 million hectares, fixed during the Sixth Plan.

Mr Pandey said that India had created irrigation potential of 67 million hectares, till the end of 1961. He said that the national plan on irrigation envisaged the creation of 148 million hectares of irrigation potential by the end of the year 2000. This, he said, was estimated to cost Rs 15,000 crores, and would enable us to double our present food production of 132 million tons, which would make India a major foodgrain exporter in the world.

Speaking about the irrigation potential of the Jammu region, he said that it was 200,000 hectares, out of which 150,000 had already been tapped.

Mr Pandey said that the target for the Sixth Plan in the Jammu region was 42,000 hectares, out of which about 14,000 hectares had already been tapped, and the rest of the target could be easily achieved with the availability of more water from the Ravi, Jhelum, Chenab and Ujj rivers, which were also within the ambit of the amended treaty between India and Pakistan.

Mr Pandey said that Jammu and Kashmir State would considerably benefit by the amendment of the treaty.

It may be recalled here that it was the Power Minister of Jammu and Kashmir, Mr Ghulam Mohammad, who had repeatedly demanded, that the Indus Water Treaty be amended, so that the State Government could have additional irrigation potential along with sufficient water to set up more hydel power generation units in different parts of the State. A survey team of Pakistani irrigation and power engineers had visited the State, in May, on an invitation by the Indian Government.

CSO: 4220/7521

BANGLADESH

POOR PERFORMANCE OF ECONOMY REPORTED FOR 1981-82

Dacca HOLIDAY in English 27 Jun 82 pp 1, 8

[Text] The fiscal year, 1981-82, comes to a close now with a growth rate of the country's gross domestic product at less than one percent as against 6.03 percent in 1980-81.

The inflationary rate within the economy during the year under review would be around 18 percent, six percent more than last year's.

The setbacks on the economic front have mainly been caused by a faltering performance in the agricultural sector.

Since there has not been any significant structural change in the economy over the past one decade despite spending of billions of takas mainly through borrowed means in the name of "development expenditure," roughly about fifty-five percent of the CGP comes as of now from the agricultural sector.

While usually in a growing economy, the share of agriculture tends to decline and that of manufacturing increases, this has not happened in the case of Bangladesh.

As such, the performance in the agricultural sector which is essentially dependent on weather conditions due to utter lack of a stable base for supporting the production in this sector on a sustained basis has its vital bearing upon the GDP growth rate.

And in the agricultural sector, the discomfiture in 1981-82 has been more pronounced in the case of production of foodgrains, i.e., rice and wheat which now constitute 29 percent of the GDP.

According to available official estimates, the production of foodgrains would total 141 lakh tons during the year under report as against 148 lakh tons in 1980-81.

The fall in food production had thus its adverse effect on the overall performance of the economy during the year under review.

The performance in the industrial sector, according to available indications, has not been encouraging in 1981-82.

While progress in industrial sector has been slowing down over the years due to decrease in actual production capacity upon which expansion of current output is dependent, funding problems in the import trade sector have been responsible for disruptions in the supply of imported raw materials and spares for the manufacturing sector in particular in 1981-82.

Marketing constraints, fiscal anomalies, power failures, etc, have further caused the industrial units to suffer. Total industrial output expanded by 8.80 percent in 1980-81 and the growth in this sector during 1981-82 would be very modest.

What has been very disconcerting about the overall performance of the economy during the first two years of the current five year plan (1980-85) is the worsening price situation.

The overall price situation is explained by the fact that between 1980 and 1982 (till mid-May, '82, to be more precise) prices increased by about 28.7 percent while the GDP (at 1972-73 factor cost) grew by less than eight percent.

The resultant effect of this imbalance between aggregate demand (as measured by total money supply) and aggregate supply (as measured by the overall size of the GDP) has been an eighteen percent inflationary rate in 1981-82, preceded by an average inflationary rate of twelve percent in 1980-81.

The inflationary price upswing operating as it does like a sort of forced taxation has led to a steady deterioration in the conditions of living for the common people.

The continuing unabated price-spiralling has thus perforce led to an automatic belt-tightening on the part of the fixed income groups and the bread masses of people.

Falling Wages

While inflation plus short supplies of essential consumer goods continue to adversely affect the standard of living of the masses, both industrial and agricultural wages as much as the earnings of the bulk of the fixed-salaried people have been failing to keep pace with inflation.

Even in the absence of relevant up-to-date statistics, it can thus be said that real wages and earnings for the vast majority of the country's population have registered a further decline over the recent years.

The skewed nature of income distribution has persisted in the process of such a decline in the position of the common men in the face of even a modest increase in real terms in the country's GDP over the last two years.

And thus again, the number of people at par or under the officially-defined poverty-line continues to swell despite so much of stress in the so-called development strategy to improve the conditions of those under this line.

Meanwhile, a worsening unemployment situation in the face of reduced real wages and earnings for the bulk of the country's population has revealed one of the major weaknesses of the economy.

Against this backdrop, it would be interesting to see how the coming budget, likely to be announced on June 30, comes to grips with the concrete economic situation to give effect to the administration's "stern austerity measures" to handle the contradiction between what, Finance and Planning Minister Muhith says, ambition and objective reality.

The finance and planning minister in his recent television interview has presented a grim economic scenario in the country, characterized by low productivity, limited employment opportunity, inflation and inadequate and misdirected investment.

He has stated that past failures to implement the programs envisaged in otherwise "good plan documents," were due to the action course of the establishment along the "soft options" in preference to the difficult ones.

What the finance minister has much sought to impress upon the people through his television interview is the urgent need for "a stern austerity measure" to contain inflation, expand and mobilize domestic resources, effect qualitative change in investment with a view to reflecting the much-needed concern in the government's action program on the economic front for the concrete realities which would cover "all the 90 million people and not ten million of the privileged class."

The minister has not however spelled out the program in concrete terms to indicate how the administration would like to proceed to break the institutional and structural rigidities within the economy which have been acting as the basic constraints to its growth and development along viable and sustained lines.

The indications given by the minister in his television interview tend to suggest that the government would give more stress on its financial operations through improved budgetary performance reflecting the needs for a "stern austerity program."

It is to be noted in this context that spiralling losses of the public enterprises which would amount to five hundred crore takas have since long been a drag on the national exchequer.

And again, the subsidies to consumptions and on agricultural inputs like irrigation water, fertilizers, etc, have been entailing a public expenditure of a colossal sum of money.

According to Mr Muhith, subsidy is given at present at the rate of 35 takas per maund to fertilizer, 70 takas per maund to fertilizer, 70 takas per maund to rice, and 35 takas maund to wheat.

Petroleum products which are being imported entirely are sold at half the price which entails a loss of 50 percent per gallon. "Similarly, the loss per unit of electricity is now about 50 to 60 poisha. In addition, the road transport, railways, jute and textile corporations are all suffering losses and in fact, only limited items of public enterprises are making profits and breaking even" the minister said.

Against this backdrop, it is clear that the resource availability within the economy can largely be increased by eliminating losses on account of public enterprises or reducing expenditures on subsidies.

But such an action course, if followed in an unimaginative fashion, may have undesirable effects on welfare and output objectives.

And here, how the establishment proceeds to make careful use of the fiscal options will be made clear when the new budget is announced.

CSO: 4220/7609

BANGLADESH

BANGLADESH TRADE WITH ASEAN COUNTRIES UNBALANCED

Dacca THE NEW NATION in English 27 Jun 82 pp 1, 8

[Text] Bangladesh's bilateral trade with the ASEAN countries remains highly imbalanced as her import bills exceeded export earnings in last one decade beginning from 1973.

The trend remains unfavourable for Bangladesh also during the current fiscal year in her bilateral trade with the four South-East Asian nations except Singapore with which the trade has mostly carried under Wage Farmers' Scheme for a third country through the free city state.

Bangladesh, in last one decade since 1973, imported commodities from the ASEAN countries worth about Taka 867 crore against her export of total Taka 269 crore having an imbalance of Taka 598 crore.

The bilateral trade individually with the ASEAN countries--Indonesia, Malaysia, Phillippines, Singapore and Thailand--showed much increase, though not favourable for Bangladesh, in the late 70s over the initial morbid stage.

In early 70s, the bilateral trade with the ASEAN countries was, more or less, insignificant as the total turn-out from Bangladesh's export was only about Taka four crore in 1973-74 against her import bills of about Taka 9 crore.

The export earnings from the ASEAN countries increased to a total of Taka 116 crore and the import bills shot up to Taka 251 crore in 1980-81.

According to the latest available figures, Bangladesh imported commodities worth about Taka 234 crore in the first six months of the current fiscal year till December while her export earning during the last nine months till March has been estimated at about Taka 170 crore in her bilateral trade with the ASEAN countries.

The bilateral trade, no doubt, showed much increase in its volume both ways, though widely unfavourable for Bangladesh, but there was no concerted effort so far to make a balanced trade with the ASEAN countries.

According to a high government official, the scope is "immense" for balanced trade with the ASEAN countries. The traders could have explored a better

export market for Bangladesh commodities in these countries particularly when the political climate is "very favourable and congenial."

The ASEAN countries have come closer to Bangladesh when late President Ziaur Rahman visited all the member countries giving assurances of fullest cooperation for promoting trade and commerce.

But there were no follow-ups and persuasion later despite favourable responses from the business circles and traders of the ASEAN countries, one diplomat regretted.

The Bangladesh embassies or trade missions assigned with the task are learnt to have not adequately staffed or equipped with trade informations.

Even the Ministry of Foreign Affairs or Foreign Trade could not furnish the update information on any bilateral trade as was experienced by this correspondent.

It is learnt that the Bangladesh missions do not have necessarily staff to look after the trade side. Earlier, officials usually drawn from erstwhile specialised cadre service of Pakistan were posted in embassies or trade missions abroad to look after the trade.

Because of lack of initiative in the embassies and trade missions neither the foreign buyers nor the local sellers get any official cooperation, said a local businessman. He said that he himself had tried to export some of the commodities to some South East Asian countries but he did not get any cooperation from either Export Promotion Bureau or from the Ministry of Foreign Trade.

"What is happening to our valuable products in the public sector, like paper and newsprint, is that the products are rotting in huge stockpile in the mills and we are not getting market though they have demand abroad," he said.

So far ASEAN countries are concerned, Bangladesh has still good prospect of marketing number of her products like G.I. pipes, electric products, paper and newsprint, carpets, jute products, and other finished products.

CSO: 4220/7608

BANGLADESH

REVENUE COLLECTION EXPECTED TO BE SHORT OF TARGET

Dacca HOLIDAY in English 27 Jun 82 p 3

[Text] The collection of revenue from different major sources may well fall short of target announced by the government in the current fiscal year of 1981-82.

The total annual revenue collection from direct and indirect taxes this year was targeted at Tk 2184.19 crore. But the present trend of revenue collection indicates that there will be a shortfall of about 300 crore taka.

It is learnt that in the last eleven months ending on May 31, 1982 the total collection stood at Tk 1662 crore. In the month of May the collection of revenue was Tk 180 crore. But according to a reliable source, the collection was very poor in the last 15 days of the current month of June. It stood at Tk 50 crore only.

A reliable source says that shortfall in revenue collection was due to poor realization of customs duty and sales tax.

It may be mentioned here that customs duty which is the major source of revenue receipt was hard hit by sluggish import trade during the first half of the current financial year due to non-availability of adequate fund.

The revenue collection by way of direct and indirect taxes which include customs duty, excise duty, sales tax, income and corporate tax amounted to more than Tk 1700 crore up to June 15 this year. The target of receipts from the taxes projected in the annual budget of 1981-82 was 2078 crore taka which excludes estate duty, nonjudicial stamp tax, etc.

Sluggish Import

Customs duty earning during the period was Tk 710 crore against the target of Tk 950 crore. Receipts from excise duty during the period were Tk 370 crore, from sales Tax Tk 305 crore and Tk 230 crore from income and corporate tax.

It may be mentioned here that the revenue earning in the first half of the current fiscal year from customs duty was Tk 375 crore, while from excise duty it was about Tk 200 crore. Earning from sales tax and income tax stood at about Tk 170 crore and Tk 75 crore respectively.

The collection from export duty this year is also likely to fall short of the target as the export performance was very poor when goods about Tk 1121 crore had been exported till May this year. But the target was fixed at Tk 1500 crore this year.

Last Year

It may be recalled here that the collection of revenue exceeded the target in the last fiscal year when the collection of revenue was Tk 1730.84 crore while the estimated target was Tk 1726-98 crore. There has been gradual escalation of revenue earnings over the years.

In 1972-73 the revenue collection stood at only Tk 166.30 crore.

CSO: 4220/7609

BANGLADESH

ASIAN BANK APPROVES LOAN FOR WATER SUPPLY

Dacca THE BANGLADESH OBSERVER in English 27 Jun 82 p 1

[Text] The Asian Development Bank has approved a 14.4 million dollar loan for expansion and improvement of water supply and sanitation facilities in five major district towns of Bangladesh, reports BSS.

According to a Press release of the Bank the upgraded facilities are expected to serve 79 per cent of the population by 1990, or an estimated 842,000 persons.

The towns to be assisted are among the major centers of economic activity in Bangladesh--Barisal, Bogra, Comilla, Jessore and Mymensingh.

The loan approved on June 17 will finance a district town water supply project comprising these components:

- (i) Provision of a 24-hour supply of safe water at affordable cost, by pumping ground water to elevated reservoirs for piped distribution, to meet domestic and other demands for water in the five towns until 1990.
- (ii) A limited sanitation programme under which about 23,000 low-cost household sanitation units will be installed provide a basis for formulating larger programmes.
- (iii) Fellowships, training programmes and engineering and management advisory services to build institutional capability to operate and maintain the water supply systems as financially and technically sound public utilities utilities.

The Bank is also providing a technical assistance grant for a study of sanitary drainage in the five towns as preparation for a possible future project to combat the health hazard posed by stagnation of polluted water in densely-populated areas of the towns.

The project for which funding was approved today resulted from a technical assistance grant approved by the Bank in December 1978.

The executing agency for the project--the Bank's first in the water supply and sanitation sector in Bangladesh--will be the government's department of public health engineering, under the Ministry of Local Government, Rural Development, and Cooperatives.

Work is scheduled to begin on January, 1982, and be completed in December, 1986.

The loan covers the entire foreign exchange cost of the 21.4 million U.S. dollar project and 60 per cent of the local-currency cost, the balance of which will be provided by the government of Bangladesh.

Drawn from the Bank's special funds resources, the loan is repayable in 40 years with a grace period of 10 years, at an annual service charge of 1 per cent.

CSO: 4220/7607

BANGLADESH

COMMITTEE RECOMMENDS TRIMMING OF DEVELOPMENT PLAN

Dacca THE BANGLADESH TIMES in English 26 Jun 82 p 1

[Text] The Committee on rationalisation of Annual Development Programme for 1982-83 submitted its recommendations to the Chief Martial Law Administrator, Lt Gen H. M. Ershad in Dacca on Friday, reports BSS.

The committee had recommended a saving of over Taka 587 crore from its original estimate of Taka 3,300 crore.

Presenting the recommendations, the Chairman of the committee, Maj Gen Shamsuzzaman said that the savings would be possible by dropping, pruning and deferring a number of projects which were not found to be either economically viable or of immediate nature.

The number of projects to be covered by the ADP now stands at 1,128 as against 1,580 and the estimated expenditure on the projects will be about Taka 2,713 crore.

DCMLSAs, Ministers, ZMLAs and other high civil and military officials were present on the occasion.

CSO: 4220/7606

BANGLADESH

NOTES ON RICE, GRANT ASSISTANCE SIGNED WITH JAPAN

Dacca THE BANGLADESH TIMES in English 26 Jun 82 pp 1, 8

[Text] A memorandum of agreement concerning the supply of one lakh tons of Japanese white rice to Bangladesh on longterm deferred payment basis was signed in Tokyo on June 18, between the food agency of the Government of Japan and the Bangladesh Embassy in Tokyo, reports BSS.

The rice will be supplied on deferred payment basis payable within 30 years including a grace period of ten years.

Loading of the rice from the Japanese ports will start in the middle of July and end in October this year. According to the schedule the rice is expected to arrive at the Bangladesh ports from the Middle of August 1982.

Air Vice-Marshal (ret'd) A.G. Mahmood, Minister for Food, recently visited Japan as the special envoy of the government of Bangladesh and held discussions with concerned authorities of the government of Japan.

As an outcome of the visit and in view of the friendly and cooperative relations existing between Japan and Bangladesh, the government of Japan agreed to provide Bangladesh with one lakh tons of Japanese white rice to meet the current food requirements in the country.

Ambulance

Another report adds: Japan will provide Bangladesh with two grants amounting over Taka three crore (yen 370 million) to finance procurement of ambulance vehicles, ambulance speedboats and construction of dormitories for agri research institute under two separate exchange of notes signed in Dacca on Friday between the two governments.

Under the first exchange of notes, the country will receive about Taka 2.08 crore which will be used by Bangladesh Fire Brigade to procure 40 ambulance vehicles and 10 ambulance speedboats for the expansion of its ambulance services. The grant assistance for the Japanese fiscal year 1982 have to be utilised before the end of March 1983, as stipulated in the agreement.

The second exchange of notes provide Taka one crore to be utilised by the Ministry of Agriculture for the construction of two dormitories in the Central Extension Resource Development Institute (CERDI). The CERDI located at Joydevpur was established with Japanese grant assistance of 700 million yen.

Mr Kazi Fazlur Rahman, Secretary, External Resources Division and Mr Hirohiko Otsuka, Japanese Ambassador in Bankladesh signed the notes on behalf of their respective governments.

CSO: 4220/7606

BANGLADESH

BRIEFS

AMBASSADOR TO INDONESIA--The Government has decided to appoint Major General Moynul Hossain Choudhury Bir Bikram at present Bangladesh Ambassador to the Philippines, as Ambassador to the Republic of Indonesia says a PID handout. [Text] [Dacca THE BANGLADESH OBSERVER in English 26 Jun 82 p 1]

CSO: 4220/7605

POLITICAL PARTY MAKEUP OF ELECTORAL COLLEGE TOLD

New Delhi PATRIOT in English 17 Jun 82 p 4

[Text]

THE Congress-I and its allies have a clear margin of about 3,08,161 votes in their favour in the electoral college comprising elected members of Parliament and Legislative Assemblies in the election to choose the country's seventh President, reports PTI.

Out of total of about 10,90,479 votes in the electoral college, the Congress-I group, which includes the ruling United Democratic Front in Kerala and the combined opposition in West Bengal, account for nearly 6,77,170 votes.

As against this, the opposition commands 3,69,009 votes and the independents wield 24,504 votes.

Approximately 35,244 votes would go unrepresented due to President's rule in Assam which has a vote value 14,616 and vacancies in the two Houses of Parliament and State Assemblies.

The elected members of legislative assemblies of Union territories are not eligible to be included in the electoral college. Similarly nominated members of the Rajya Sabha, the Lok Sabha and the legislative assemblies of States are also not entitled to vote in the presidential poll.

Out of 774 MPs in both the Houses of Parliament, the Congress-I has in its fold 473 MPs accounting 3,40,560 votes. The combined votes of opposition MPs is 1,86,480 while independents numbering 23 have 16,560 votes. Twenty-seven seats are lying vacant which have total votes value of 19,440.

In the 21 State assemblies out of 5,28,439 votes, Cong-I has 3,36,610 votes compared to combined opposition's 1,82,529 votes. Independents have 7,944 votes.

UP TOPS IN VOTE VALUE

According to value of votes in 21 assemblies Uttar Pradesh tops the list with a total value of 88,400 while Sikkim has the lowest value —224.

In UP two members of the Legislative Assembly, one each of Congress-I and Lok Dal had been disqualified from the membership of the House. They have no right to vote in the presidential poll. Their appeals are pending in the Supreme Court.

The overwhelming Congress-I majority in the Lok Sabha and in high-value States like UP, Bihar, Maharashtra, Andhra Pradesh, Orissa Rajasthan, Madhya Pradesh, Gujarat and Karnataka and its slight margin in the Rajya Sabha place it in an unassailable position in the electoral college.

In Haryana which has total 10,080 votes, the situation is fluid with defection still on and both the ruling Cong-I and the Lok Dal claiming majority in the Legislative Assembly.

In the Left Front ruled State of Tripura, which has 1560 votes, the Congress-I does not have a single representative.

Under the process of election of the President, the value of vote differs as between MPs and MLAs and also between the members of the assembly of one State and of another. The value of an MP's vote is 702 and of an MLA varies from 208 in UP to seven in Sikkim.

The value of vote of an MLA is determined by dividing the population of the State by the number of the elected members of its assembly and further dividing the quotient by 1,000. The value of the vote of an MP is worked out by dividing the sum total of the value of the votes of the MLAs divided by the number of the elected members of the two Houses.

CSO: 4220/7511

PAPER REPORTS CONCERNS OVER ELECTION COMMISSION

MPs' Joint Statement

Calcutta THE STATESMAN in English 18 Jun 82 p 9

[Text]

NEW DELHI, June 17.—Mr Charan Singh (Lok Dal), Mr Atal Bihari Vajpayee (BJP), Mr E. M. S. Namboodiripad (CPI-M), Mrs Sarojini Mahishi (Janata) and Mr Indradeep Sinha (CPI) in a joint statement today urged that priority be given to enacting legislation prescribing the conditions of service and tenure of office of the Chief Election Commissioner at the next Parliament session. They also wanted legislation on electoral reforms.

The statement recalled that three weeks ago, the Opposition had demanded, in a joint statement, that the Government consult it on appointing a successor Commissioner. Mr S. L. Shakdher, who is to retire tomorrow.

These parties had also urged that Mr Shakdher be allowed to continue in office pending a parliamentary debate on poll reforms proposed by the commission and pending legislation on the tenure of the CEC's office and the terms and conditions of his service.

The parties regretted that their demand had been ignored and the Government had set about appointing a new CEC. They resented that the official comments on this had evaded the main point and sought to confuse the issue by arguing that "poll reforms and the tenure of the Chief Election Commissioner are not inter-linked".

The statement says: "We had demanded an extension to the present CEC only to end the disregard of constitutional intentions in this regard. The founding fathers of the Constitution wanted Parliament to enact legislation on the conditions of service and tenure of office of the Chief Election Commissioner. Article 324 (5) of the Constitution says: 'Subject to the provisions of any law made by Parliament, the condi-

tions of service and tenure of office of the Election Commissioners and the Regional Commissioners shall be such as the President may by rule determine".

"No law has been enacted all these years and the conditions of service and tenure of office of the Chief Election Commissioner continue to be determined by a rule framed by the Government, ignoring both the letter and the spirit of the Constitution. Prima facie, there may appear little difference between executive rules framed by the Government and a law brought forward by the Government. But there is a basic qualitative difference, underlined in the Constitution itself, providing for Parliament to enact a law and not to leave the matter to the whims and fancies of the Government of the day.

"The founding fathers were keen to ensure the independence of the Chief Election Commissioner. They, therefore, made another significant provision in Section 5 of Article 324 of the Constitution. This says: 'The Chief Election Commissioner shall not be removed from his office except in like manner and on the like grounds as a Judge of the Supreme Court and the conditions of service of the Chief Election Commissioner shall not be varied to his disadvantage after his appointment'.

"Parliament is to meet on July 8. We proposed that the required legislation be given top-most priority and be enacted in the next session. If necessary, the session be extended by a week for passing the required legislation and holding a debate on the electoral reforms proposed by the Election Commission over the years. Many excellent proposals have not been taken note of. But these proposals would help us strengthen our democracy and deal with electoral evils, including defections.

Weakness of Commission

Calcutta THE STATESMAN in English 18 Jun 82 p 8

[Text]

OF the four pillars of Indian democracy, namely the Supreme Court, the Public Service Commission, the Comptroller and Auditor-General of India, and the Election Commission, the last is the weakest, both in conception and in practice. On closer scrutiny, it should be obvious that the strength of all these institutions, nay, of the constitutional system itself, depends ultimately upon the integrity and independence of the electoral administration of the land.

The framers of the Indian Constitution articulated the desirability and the imperative need of an impartial and independent machinery for the conduct of elections. Dr Rajendra Prasad, the President of the Constituent Assembly, observed: "One of the dangers which we have to face arises out of any corruption which (political) parties, candidates or the government in power may practise. We have had no experience of democratic elections for a long time except during the last few years, and now that we have got real power, the danger of corruption is not merely imaginary. It is therefore as well that our Constitution guards against this danger and makes provision for an honest and straight-forward election by the voters".

PROPHETIC

Dr H. N. Kunzru made what may be considered to be a prophetic statement: "If the electoral machinery is defective or is not efficient or is worked by people whose integrity cannot be

depended upon, democracy will be poisoned at the source; nay, people, instead of learning from elections how they should exercise their vote, how by a judicious exercise of their vote they can bring about changes in the Constitution and reforms in the administration, will learn only how parties based on intrigues can be formed and what unfair methods they can adopt to secure what they want."

These quotations underline the need the Constitution-makers felt for a strong and independent election machinery. At one time, they even considered inserting provisions relating to election and electoral administration in the chapter on Fundamental Rights. But they failed to translate these intentions into appropriate constitutional provisions.

The upshot of the Constitution-makers' concern was part XV of the Constitution of India covering Articles 324 to 329. These articles provide, among others, for a single centralized Election Commission which is empowered to superintend, direct and control all Union and State elections, to prepare one general electoral roll, and to conduct and direct elections on the basis of universal adult franchise.

The constitutional provisions relating to electoral administration are in the nature of a damp squib. While the Constitution elaborately articulates its concern for the integrity, impartiality and independence of the Supreme Court, the Comptroller and Auditor-General, and the Public Service Commission, it

has done precious little in the case of the Chief Election Commissioner—the permanent nucleus of the electoral administration. It merely says that the Election Commission, the body to superintend, direct and control the preparation of the electoral rolls for, and the conduct of all elections to, Parliament and the State legislatures, and of elections to the offices of the President and the Vice-President, is to consist of the Chief Election Commissioner and other Election Commissioners, if any, as the President may from time to time fix, and that the appointment of the Chief Election Commissioner and other Election Commissioners shall be made by the President, subject to the provisions of any law made in that behalf by Parliament.

QUALIFICATIONS

The Constitution is absolutely silent on the required qualifications—administrative, legal or judicial—for the appointment of the Chief Election Commissioner, other Election Commissioners, or the Regional Election Commissioners. It is also silent on the specific number of Commissioners to be appointed or even the exact procedure for their appointment. These matters have been left to be determined by the rules formulated by the President, subject to relevant statutory regulations.

In practice, everything is determined by the Executive at its sole discretion. In the case of no other institution has the

Constitution left so much in the hands of the Executive of the day. It would not be incorrect to say that the Election Commissioner, though identified by and located in the Constitution, are for all intents and purposes the creation of the Executive.

These weakness have been compounded by the Executive decisions concerning the Election Commission since the inauguration of the Constitution. Unlike the Supreme Court Judge who holds office till the age of 65, the Chief Election Commissioner is appointed for five years, and the term may or may not be extended. Two Chief Election Commissioners—Mr Sukumar Sen and Mr K. V. K. Sundaram—were given extension and they remained in office for eight years, though each of them was initially appointed for a five-year term. There have even been "acting appointments": Mr K. V. K. Sundaram first "acted" as Chief Election Commissioner for some time before his confirmation in that post.

There is even no bar to further employment of the Chief Election Commissioner. After his retirement, Mr Sen was appointed Vice-Chancellor of Burdwan University and, later, Chairman of

the Dandakaranya Development Authority. Similarly, Mr Sundaram was appointed Chairman of the Law Commission.

The provision regarding the appointment of the Election Commissioners has remained a dead letter. Instead, the Regional Election Commissioners were appointed for a while at the time of the first general election, but the arrangement was discontinued thereafter. In 1956, Deputy Commissioners were appointed.

SILENT MESSAGE

So the Executive has not evolved very sound conventions in regard to the office of Chief Election Commissioner. Instead, its behaviour has been open-ended which may have the effect of tempting the incumbent away from the straight and narrow path of rectitude. It has over the years accumulated a volume of precedents of dubious nature, and these precedents have the possible effect of eroding, not reinforcing, his independence and integrity. That he is treated as an officer of the Executive is recognized by the Government in that his salary and other conditions of service have so far been the same as those of a Secretary

to the Government of India. And this message is intended to be conveyed, though silently, to the Chief Election Commissioner also.

Electoral politics is becoming increasingly ruthless and normless in India, and one does not see any signs of abatement of this trend, at least in the foreseeable future. This means that the office of the Chief Election Commissioner will be subjected to even greater stress in times to come. So far, it has not received the care and attention it deserves, and the nation would be well advised to so design it that the country's chief counter of voters is enabled to function fearlessly and independently, and that he neither wilts or tilts, no matter how heavy the pressure.

His method of appointment should win nationwide acceptance. His appointment may, for instance, be made by the President, in consultation with the Chief Justice of India and the leader of the Opposition in the Lok Sabha. The qualifications and terms and conditions of service should preferably be prescribed by a parliamentary enactment.

CPI LEADER COMMENTS ON MEETING WITH CPI-M

New Delhi PATRIOT in English 18 Jun 82 p 7

[Text]

CPI National Council Secretary N K Krishnan has welcomed the joint State-level political convention held by the Karnataka units of the CPI and the CPI-M.

In a statement Mr Krishnan said that the task of projecting the Left and democratic national alternative had become urgent in a situation in which the Congress-I influence was waning and reactionary forces spearheaded by the BJP were trying to pose as an alternative to the ruling party.

In this context, strengthening cooperation and joint action among Left forces in the country, in particular, the CPI and the CPI-M had acquired exceptional importance. Conditions were also becoming favourable for this.

The Bangalore convention had set a very good example before the Left and democratic forces in the country. The CPI welcomed the initiative taken by the State units of the two parties in arriving on a common platform of political and mass action. This would help draw secular democratic forces in the State towards the Left and would have a good nationwide impact, the statement added.

CSO: 4220/7515

GONSALVES TELLS BASIS FOR GOOD INDO-U.S. RELATIONS

Bombay THE TIMES OF INDIA in English 19 Jun 82 p 3

[Text]

THE United States should give a little more importance to India's role and opinions on the issue of "regional stability" and this would help in narrowing down the "communication gap" or differences of opinions existing between the two countries, Mr. Eric Gonsalves, secretary to the ministry of external affairs, said today.

If the U.S. extended a "certain degree of equality and respect" and tried to understand Indian points of view, it would provide the basis for a good dialogue on Indo-U.S. relations, Mr. Gonsalves felt.

Speaking at a meeting of the Rotary Club of Bombay Central, here, Mr. Gonsalves described the forthcoming visit of the Prime Minister, Mrs. Indira Gandhi, to the U.S. as a "high point at which this relationship will be put to test." The Prime Minister's visit would also put some kind of a "seal of approval" on the Indo-U.S. ties which was in the interest of both the countries and which could be enhanced. While India would not like to gloss over the persisting differences of opinion between the two countries, only the points of discord got big publicity and many other important things were ignored, Mr. Gonsalves said.

NON-ALIGNED POLITY

The non-aligned polity and India's contribution to its success had not been given the due credit just as the credit for detente went to the great powers.

The realisation that the new world comprised of national sovereign states and that it was more complex did not easily dawn on the countries where power dwelt, he remarked.

The substantiate the varying sense of perceptions by India and the U.S. on some issues. Mr. Gonsalves referred to the admission of China into the U.N. which was first supported by India but opposed by the U.S. and several years later, the U.S. veered round to the Indian stand, thus proving our decision to be right. Similarly, India's support to decolonisation was later proved to be a right decision.

Turning to the current problems, Mr. Gonsalves said India sought the removal of foreign forces from Kampuchea and Afghanistan and called for a political solution but the U.S. disagreed with this view. Its standards seemed to be different because the U.S. had a similar approach towards West Asian and Namibian crises.

The liberation of Goa, Bangladesh and Kashmir were matters of vital interest to India yet the U.S. went against our interests. Its arms supply to Pakistan would lead to destabilisation in the region but for a variety of reasons the U.S. took a stand totally opposed to India, Mr. Gonsalves recalled.

India's good relations with the Soviet Union itself posed a problem. Though Indo-Soviet friendship would grow further in future and benefit both the countries, it did not mean automatic exclusion of the U.S. and this approach was unnecessary, Mr. Gonsalves said.

Since both India and the U.S. believed in democratic rights, the press and the public could not be controlled and if they sometimes indulged in criticism of either of the countries, it should not be taken as anti-U.S. stand by India or vice versa.

In reply to a question, Mr. Gonsalves said Mrs. Gandhi's talks with Mr. Reagan would provide a scope for continuing the threads left at the Cancun summit on the U.S. contribution to the multilateral aid institutions. It was not as if rich countries should feed the begging bowls of the poor countries but that in the interest of the international economic system, they should contribute to it and avoid its collapse.

Earlier, Mr. Bruce Armstutz, the U.S. consul-general in Bombay, described India as one of the "great countries of the world, commanding the respect and attention of America". The common interests of both the countries were often obscured by differences. The strongest of all ties between India and the U.S. was the practices of democratic freedom denied by many governments to their people, Mr. Armstutz said.

Among those present at the meeting were diplomatic corps from the U.S.S.R. the U.K., Poland, Belgium, Indonesia and Malaysia. The meeting was presided by Mr. Ramesh Khanna, president of the Rotary Club of Bombay Central.

CSO: 4220/7516

INDIA

RAJYA SABHA QUESTIONS GANDHI ON ANTARCTIC TREATY

Calcutta THE STATESMAN in English 9 Jul 82 p 9

[Text] Mrs Gandhi told the Rajya Sabha today that India had to consider if by being a member of the Antarctica treaty it would "jeopardize" either the country's interests or those of other developing and smaller countries. It was a complex matter, the Prime Minister added.

The Government was in touch with other countries. She promised to inform the House as soon as any decision was taken. India did not accept the contention of a few countries to carve out any part of the world beyond their own territories for their purpose, leaving out the rest, Mrs Gandhi said during question hour. She explained that India's stand had been made clear repeatedly and that was one of the reasons why India organized its own expedition to Antarctica. The Government had refused to sign the treaty "on the very ground that we should not be a party to such a treaty."

An interesting situation arose when a BJP member, Mr Jaswant Singh, wanted to know from the Government whether it was aware of the June 14 meeting in Wellington, New Zealand, which discussed a draft convention for sharing mineral resources of Antarctica. The meeting, according to him, was attended by Argentina, Britain and 12 other countries, including the Soviet Union and the U.S.A. Mr Jaswant Singh also wanted to know if the sacrosanct line of 60 degrees south was no longer as such for fishing rights which were now being shared by these countries as far as 50 degrees south. If that was so, what was the purpose of the expedition?

The Minister of State for Science and Technology, Mr C. P. N. Singh, in his reply said that the Government was not aware of the June 14 meeting reportedly held in Wellington. The Chairman, Mr M Hidayatullah, asked Mr Jaswant Singh the source of his information. The BJP member claimed that he had his source in his briefcase and said that he would pass it on to the Government.

Later, he gave a printed document to Mr C. P. N. Singh. The document was passed on to Mrs Gandhi, who had a few words with Mr Jaswant Singh. Earlier, Mr C. P. N. Singh in his reply to the original question, said that the Government was "examining the various details of the Antarctica treaty but at present there is no proposal to join it."

CSO: 4220/7597

INDIA

PAPER GIVES DETAILS ON ISRAELI CONSUL'S EXPULSION

Bombay THE TIMES OF INDIA in English 9 Jul 82 p 1

[Text] The Israeli consul in Bombay has been declared persona non grata and asked to leave the country within 48 hours.

The government's decision was conveyed to the Israeli-consul, Mr Yosef Hasseen, by the chief secretary to the Maharashtra government, Mr P. G. Gavai, in Bombay today.

The decision followed some objectionable statements by Mr Hasseen in a newspaper interview. According to an official spokesman, these statements were highly objectionable and not in consonance with Mr Hasseen's diplomatic functions. These statements also amounted to an unacceptable interference in the domestic affairs of India, he said.

Mr Hasseen has been declared persona non grata on specific grounds but there is no decision on the demand for the closure of Israel's consular office in Bombay. This demand has been raised by some members of parliament. Mr Hasseen was posted to Indian in December 1979.

No Diplomatic Ties

India has no diplomatic relations with Israel. It has been permitted to maintain a consular mission in Bombay to facilitate Indian Jews' visits to Israel.

Mr Hasseen, in his interview with a Bombay-based Sunday newspaper, said that there was a strong Muslim-Arab lobby in New Delhi and that Arab ambassadors were making use of Indian Muslims to put pressures on the government.

In reply to another question, he said that Israel was getting a bad press in India because the press was following the official line. According to him, the press was intentionally and purposefully trying to divert the sympathies that the Indian people have for Israel.

He also said that Israel did not agree with India's policy vis-a-vis Pakistan, Sikkim and Goa. "You are competing with Pakistan to impress the Arabs," was another comment.

Mr Hasseen commented: "Your politicians are afraid of the Arabs. They are afraid that Iraq would cancel their contracts and Saudi Arabia would stop importing Indian labour.

INDIA

YOUTH FRONT ORGANIZED TO 'PROTECT' AIADMK LEADER

Bombay THE TIMES OF INDIA in English 9 Jul 82 p 9

[Text] The chief minister of Tamil Nadu, Mr M. G. Ramachandran, the undisputed founder-leader of the ruling All-India Anna DMK who draws support from 27,000 MGR Film Fans & Associations claiming a membership of 1.5 million throughout the state, has now one more organisation aimed at strengthening his hands.

The new body, the MGR Youth Front, launched yesterday by the finance minister, Mr V. R. Nedunchezian, will aim at developing second and third-level leadership to be used by the AIADMK whenever necessary, according to Mr P Musiriputhan, MLA-president of the "All-World MGR Film Fans Association" and the moving spirit behind the front.

The front aims at enrolling 500,000 men and women in the age group of 15 to 30. These members, according to Mr Musiriputhan, will give unquestioning obedience to Mr Ramachandran's orders. "There will be no working committee, executive committee or any argument over decisions taken by MGR. We will obey his orders without question," says Mr Musiriputhan.

A new generation of MGR followers from among the youth is to be built up. They will be trained in martial arts like karate and "silamba attam" (fighting with slaves), not only to protect themselves against attack but "to protect the party, the government and our leader, MGR."

Mr Musiriputhan said 500 training centres would be set up all over the state and members would be required to pay an annual subscription of one rupee each.

Drawing a distinction between the MGR Fans Associations and the Youth Front, Mr Musiriputhan said the former would concentrate on political work, including propaganda for the party and the government. However, MGR fans in the 15-30 age group could become members of the Youth Front also. Three city colleges had already established MGR Youth Front units.

The inaugural function at the Kalaivanar Arangam included oratorical competitions on subjects like "Our view of puratchi thalaivar (MGR)," "Why is puratchi thalaivar ever popular--due to his work in the field of art or politics?"

INDIA

KASHMIR YOUTH FEDERATION, NATIONAL CONFERENCE MERGE

Bombay THE TIMES OF INDIA in English 9 Jul 82 p 23

[Text] The Prime Minister, Mrs Indira Gandhi, told the Rajya Sabha during question hour today that her government was currently examining the benefits that might accrue to India and other developing countries if it finally agreed to sign the Antarctica treaty.

In reply to a supplementary by Mr Manubhai Patel, Mrs Gandhi said the government had of late been in touch with other developing countries.

The Prime Minister made this observation after the minister of state for science and technology, Mr C. P. N. Singh's reply to the main question that "at present" there was no proposal to join the treaty.

Mrs Gandhi said India would take any step in this regard only after detailed consultations with other developing countries.

Mrs Gandhi said India had always held the view that no country could carve out any region outside its own territory for its exclusive use and it would pursue this line further. This was precisely the reason for his government not signing the treaty, she added. She said India's expedition to Antarctica was successful.

Heavy water plant: India does not subscribe to the view that its atomic energy programme is being sought to be systematically sabotaged in several sensitive sectors, Mr C. P. N. Singh told Mr Ramachandra Bhardwaj and five others in a written reply.

The shut-down of the heavy water fabricating plant at Baroda recently was due to continued labour unrest.

Normal maintenance work has commenced in the plant, which is expected to resume production by the end of this month. The loss of production due to the shot down would however marginally affect the commissioning of the Madras atomic power plant unit one, he added.

Mr Singh told Mr Ramanand Yadav and Mrs Amarjit Kaur in a separate reply that heavy water plants at Nangal and Tuticorin were also operational.

Regular production is expected to start in the heavy water plants at Talcher and Kota towards the year end, he said.

The minister told Mrs Monaka Das that simultaneously the government had on hand a programme to accelerate sub-survey examination of uranium occurrences.

CSO: 4220/7598

EDITORIAL SCORES CONDUCT OF ISRAELI CONSUL

Bombay THE TIMES OF INDIA in English 10 Jul 82 p 8

[Text]

The Israeli consul in Bombay, Mr. Yosef Hasseen, has only himself to blame for his expulsion from this country at 48 hours' notice. There have been occasions in the recent past when foreign diplomats, including an Arab ambassador, have had to be asked to leave India because of their indiscreet or unbecoming behaviour. But never before has anyone done anything even remotely comparable to the vile and vicious conduct of the Israeli consul. New Delhi's declaration that his remarks in the course of a newspaper interview were "highly objectionable" and amounted to an "unacceptable interference" in India's domestic affairs must be reckoned to be the understatement of the year. Mr. Hasseen — belying his name which, ironically, means beautiful — has been guilty of gross abuse of Indian hospitality. At a time when the whole world is appalled by the unspeakable Israeli atrocities in Lebanon, he has had the intolerable impertinence to use Indian soil to insult this country's government, the ruling party and the press — all because they refuse to go along with him in applauding the nauseating Israeli genocide and condemn it instead. To make matters worse, he has tried to sow communal discord in this country. There can be no other meaning of his infamous attempt to make out that while the Hindus are sympathetic to Israel the Arab ambassadors are using Indian Muslims to bring pressure to bear on the government.

Since this country and Israel do not have normal diplomatic relations and Israel's outpost in Bombay is expected to confine itself to consular work, the Israeli consul, whoever he may be, does function under some constraint. But neither this fact nor anything else can be cited as an extenuating circumstance for Mr. Hasseen's egregious misconduct, to put it no more strongly than that. Some of his predecessors, operating under the same conditions as he, in fact managed to be effective enough largely because they had the good sense to recognise both the depth and the sincerity of this country's traditional support to the cause of the Arabs in general and the Palestinians in particular. But being an evidently nasty piece of work, Mr. Hasseen chose to fly in the face of facts. He must have known that feelings are running high in this country over the Israeli efforts to annihilate the PLO in Lebanon and the demand for a closure of the Israeli consulate in Bombay is gaining momentum. But rather than take

steps to mitigate this feeling he has chosen to exacerbate it by his stupidity and effrontery. Mr. Narasimha Rao has said in Parliament that the closure of the Israeli consulate is under active consideration. If this does eventually come about, the primary responsibility for it would be that of the Israeli consul who has quite rightly been thrown out.

CSO: 4220/7599A

INDIA

REPORTAGE ON GANDHI 9 JUL STATEMENT ON MIDEAST

Statements in Both Houses

New Delhi PATRIOT in English 10 Jul 82 pp 1, 7

[Text] Prime Minister Indira Gandhi has blamed the U.S. for emboldening Israel to invade Lebanon to wipe out the PLO.

To a unanimous accolade, she told Parliament on Friday that India stood by the PLO--not because of pressure from the Arab countries or its own Muslims but because it believed in the justness of their cause and their right to an independent homeland.

Making identical statements in both Houses, Mrs Gandhi called on nations in a position to influence Israel to take immediate steps to lift the siege of Beirut and to ensure the withdrawal of Israeli troops to their own territory so that negotiations could begin for a just, comprehensive and solution acceptable to all.

Such a solution, she said amidst cheers, must ensure the sovereignty, independence and territorial integrity of Lebanon and the inalienable rights of the Palestinian people, including their right to an independent nation-state.

Mrs Gandhi disclosed that she had written to the Presidents of the Soviet Union, France and the U.S. to take initiatives to restore peace in West Asia.

There was a flutter in the Lok Sabha when a vociferous Opposition demand for the closure of the Israeli consulate at Bombay was contested by one of their own front benchers--BJP's Mr Ram Jethmalani--to the chagrin of his party leader Atal Behari Vajpayee.

Several Opposition members, and many from the ruling party, pounced on Mr Jethmalani when he further elaborated his support for Israel even as the Chair was remonstrating with the members for speaking against his directions.

This was in sharp contrast to the BJP response in the Rajya Sabha when Mr J.P. Mathur welcomed the Prime Minister's statement while seeking clarifications on some points.

In the Rajya Sabha, Mrs Gandhi denied she was reluctant to name the power behind the Israeli invasion of Lebanon.

She said Israel was powerful enough to launch the attack. "But it (Israel) is emboldened by the powerful support it has from outside. United States is one," she added.

Mrs Gandhi said the Congress Party had genuinely sympathised with the Jews when they were harassed in Europe. "But we did not support the Jewish homeland at the displacement of Palestinians."

She regretted that both the United Nations and the nonaligned movement were not as effective as they should have [been] against the Israeli invasion.

Mrs Gandhi said she was sad that India was not much powerful to do anything to stop the Israeli aggression, except sending medicines and relief.

Responding to a specific question from a member, she said the socialist countries were much powerful militarily and technologically. "If they do some thing, we will support them," she added.

She told the House that a ministerial level meeting of the nonaligned is proposed to be convened to discuss the unprovoked Israeli action against Lebanon in consultation with other non-aligned member-countries.

Statement

In her statement Mrs Gandhi said the unprovoked Israeli invasion of Lebanon and the brutal killing of thousands of Lebanese and Palestinian civilians had aroused deep anguish and revulsion in the entire world community.

This Israeli action was a flagrant violation of all canons of international law and behaviour. It was indicative of an arrogance which had shown callous disregard for the rights of other nations and peoples, she added.

The Prime Minister said history was replete with instances of the failure of military force to crush popular movements. This equally applied to the Palestinian movement based on the legitimate aspirations of Palestinians.

"Israel will be well-advised to pay heed to the growing worldwide vocal concern, including the voices of thousands of its own people who have demonstrated against this invasion," she said.

Mrs Gandhi deplored that at a time when there were hopes for some progress in the resolution of the Palestinian problem, Israel had chosen to exacerbate

it. It had thus imperilled the possibilities of long-term stability in the sensitive and strategic West Asian region.

The unprovoked Israeli invasion of Lebanon and the brutal killings of thousands of Lebanese and Palestinian civilians has aroused deep anguish and revulsion in the entire world community. This Israeli action is a flagrant violation of all canons of international law and behaviour. It is indicative of an arrogance which has shown callous disregard for the rights of other nations and peoples.

Since the invasion on 6 June, the efforts of the international community to secure vacation of aggression have made no progress, as Israel continues to defy counsels of restraint. It has callously ignored the unanimous resolutions adopted by the Security Council and the resolution adopted by the special session of the United Nations General Assembly.

The Israeli blockade of West Beirut is now being further tightened. Many hundred thousand residents are totally deprived of essential supplies of water, electricity, food and medical assistance; the entire civilian population is being starved out. The cease-fire such as it is fragile and precarious. Beirut could well be totally destroyed and its population annihilated. This unabashed use of force is totally contrary to all norms and tenets of international behaviour. Israel's cynical and contemptuous disregard of international opinion, its continuing aggression and its use of military means to seek political objectives provide a very sad precedent for the future, Mrs Gandhi said.

At a time when there were hopes for some progress in the resolution of the Palestinian problem, Israel has chosen to exacerbate it thus imperilling the possibilities of long-term stability in the sensitive and strategic Asian region, she added.

Israeli attempts to wipe out the Palestinian movement cannot succeed in the long run. A popular movement based on the legitimate aspirations of the Palestinian people cannot be put down by use of arms. History is replete with instances of the failure of military force to crush popular movements. Israel will be well advised to pay heed to the growing worldwide vocal concern, including the voices of thousands of its own people who have demonstrated against this invasion of Lebanon, she said.

'On behalf of my Government I should like to call upon nations who are in a position "to influence" Israel to take immediate steps to lift the siege of West Beirut and withdraw its troops to its own territory. After this immediate objective is achieved, negotiations must begin for a just, comprehensive and durable solution acceptable to all concerned. Such a solution must ensure the sovereignty, independence and territorial integrity of Lebanon and the inalienable rights of the Palestinian people including their right to an independent nation-State, the statement said.

In the Rajya Sabha, Opposition members who spoke immediately after Mrs Gandhi's statement, were critical of the ineffective role of the UN and the nonaligned movement in resolving the crisis.

Mr Nirmal Chatterjee (CPI-M) saw the hand of the International Monetary Fund (IMF) in Mrs Gandhi's silence on the role of the U.S. in Israeli campaign against the PLO.

Mr M. Kalayanasundaram (CPI) wanted to know from Mrs Gandhi as to why her government was hesitant to call "a spade a spade."

Mr Shahabuddin (Janata) he hoped that Mrs Gandhi, during her forthcoming visit to U.S. would pressurise U.S. leaders and ensure Israeli withdrawal.

What surprised Mrs Margaret Alva (Cong-S) most was the "passive role" of the socialist countries in this crisis. International humanitarian agencies should be mobilised to help the Palestinians she said.

Mr Ghulam Rasool Matto (NC) said India should send its troops in aid of the PLO.

Medical Team

In her reply, Mrs Gandhi recalled, India was the first country to send a medical team to Beirut to render help to the war victims.

But the Indian team could not reach the centre of the Lebanese capital, but was rendering medical aid on the outskirts, she added.

She said while the International Red Cross was not allowed to go into Beirut, the Indian Red Cross did send some medical supplies to the victims through the Lebanon and Palestinian Red Cross. India had also despatched blankets, she said.

In the Lok Sabha CPM, CPI, Congress-S and some other Opposition members demanded closure of Israel consulate in Bombay stating that the Government should not allow the use of Indian soil for anti-Palestinian propaganda.

Mr S. S. Chakravarty (CPM), Mr Indrajit Gupta (CPI), Mr K.P. Unnikrishnan (Congress-S) and others sought clarifications on the statement but Speaker Balram Jakhar did not allow them saying that he would allow a separate discussion on Mrs Gandhi's statement.

Report from G. K. Reddy

Madras THE HINDU in English 10 Jul 82 p 1

[Text] The Prime Minister, Mrs Indira Gandhi, made a fervent appeal today to countries that are in a position to influence Israel to take urgent steps to get this militant nation [to] lift its siege of West Beirut and withdraw its troops from Lebanon.

In a statement she made in Parliament this afternoon, Mrs Gandhi said that, after this immediate objective had been achieved, negotiations should begin for a "just comprehensive and durable solution acceptable to all concerned."

Though the use of the words "all concerned" seemed to imply that India was not averse to the idea of a settlement that would be equally acceptable to Israel, the Prime Minister was quite categorical in reaffirming the Indian position that any such solution "must ensure the sovereignty, independence and territorial integrity of Lebanon and the inalienable rights of the Palestinian people, including their right to an independent nation-State."

She said: "The unprovoked Israeli Invasion of Lebanon and the brutal killings of thousands of Lebanese and Palestinian civilians has aroused deep anguish and revulsion in the entire world community. This Israeli action is a flagrant violation of all canons of international law and behaviour. It is indicative of an arrogance which has shown callous disregard for the rights of other nations and peoples."

The Prime Minister deplored that at a time when there were hopes for some progress in the settlement of the Palestinian problem, Israel had chosen to exacerbate it and imperil the possibilities of long-term stability in the sensitive and strategic West Asian region.

She said that history was replete with instances of failure of such attempts to crush popular movements with military force. The Israelis would be well advised, she added, to pay heed to the world-wide indignation, including the voices of thousands of their own people who have been opposing this invasion.

Mrs Gandhi strongly condemned the way Israel had been flouting international opinion, defying counsels of restraint and ignoring the U.N. resolutions. She warned, a popular movement like the Palestinian Liberation Organisation based on the legitimate aspirations of its people could not be wiped out with brute force.

Letters to World Leaders

The Prime Minister's statement was intended to be a follow up of the letters she had written in the last few days to prominent world leaders like the U.S. President, Mr Reagan, the Soviet President, Mr Brezhnev, and the French President, Mr Mitterrand, on the subject.

She had also been exchanging communications with the Cuban President, Mr Castro, in his capacity as current chairman of the nonaligned movement, on what the community could do to mobilise world opinion against the Israeli action.

It had been decided, after intensive consultations among representatives of the nonaligned countries at the United Nations, that the coordination bureau should hold an "emergency special session" to discuss the Israeli action.

It was initially agreed that the bureau members should meet in Nicosia close to the scene of conflict, but Algeria had been urging that the meeting should be held in Algiers which was an Arab capital besides being one of the major centers of the non-aligned movement.

Meanwhile, the External Affairs Minister, Mr P. V. Narasimha Rao, told Parliament today that the Government was in constant touch with the PLO through its ambassador in Delhi and was extending all possible assistance. But, at the same time, the Government was not taking any hasty step like ordering the closure of the Israeli Consulate-General in Bombay following the expulsion of the consul for his objectionable utterances. (Mr Yosef Hassen, the Israel consul, under expulsion orders, would leave Bombay on Sunday, police sources in Bombay said, according to a PTI report).

It was not without significance that, in view of the Prime Minister's forthcoming visit to Washington, both Mrs Gandhi and Mr Narasimha Rao refrained from any direct criticism of the U.S. support for Israel or the refusal of the Reagan Administration to exert enough pressure on it to withdraw from Lebanon.

The farthest Mr Narasimha Rao went today was in remarking, in reply to some pointed questions in the Rajya Sabha, that the U.S. had given "sufficient backing to Israel including the vetoing of the French resolution in the Security Council."

G. K. Reddy on Opposition Stance

Madras THE HINDU in English 10 Jul 82 p 1

[Text] The two Houses of Parliament witnessed today the sharp ideological divisions that divide the Opposition parties on international issues and attitudes, after the Prime Minister. Mrs Indira Gandhi, made a statement on the Israeli aggression on Lebanon.

The two communist parties were quite critical of her reluctance to name the U.S. as the prime supporter of the Israel while the BJP and the Congress (S) were no less vehement in their disapproval of the passive attitude of the Soviet Union.

The leftist parties felt that mere condemnation of the Israeli attack was not enough without identifying the sources of instigation. The BJP leader, Mr Ram Jethmalani, provoked their bitter resentment when he implied that due note should be taken of the Israeli point of view as well in assessing the tragic situation in Lebanon.

PLO's grievance: An independent member, Mr Dinesh Goswami, tried to steer a middle course in the Pajya Sabha by drawing attention to the Palestinian Liberation Organisation's grievance that it was being let down by its own Arab friends, not to speak of the Socialist bloc which was also accused by other members of a passive role.

The Prime Minister denied the Opposition charge that she was reluctant to name the power behind the Israeli aggression, maintaining that Israel was powerful enough to launch the attack on its own. But she conceded that Israel was emboldened by its powerful support from outside including the U.S.

She said the U.N. and the non-aligned community were not as effective as they should be in dealing with such a situation. India itself could not do much to stop the Israeli attack other than extending strong political and moral support to the victims of this invasion. If other powerful countries like the Socialist bloc did something to stop such aggression, India would certainly support them.

It is not customary in the Lok Sabha to have a debate immediately after a statement has been made by the Government. But in Rajya Sabha the procedures are different and members are entitled to express their views on such statements.

The Opposition parties availed themselves of this opportunity to question why the Prime Minister did not herself name the United States. And in trying to explain why she was not going out of her way to blame only the U.S. for this highly distressing situation, she did not let go the opportunity to indirectly draw attention to the fact that the Socialist countries were doing nothing about it.

No Indians involved: At the end Mrs Indira Gandhi reiterated that there was no Indian soldier fighting with the PLO forces against Israelis in the war-torn Lebanon.

CSO: 4220/7662

MALHOTRA NOMINATED INDIAN REPRESENTATIVE TO IMF

Bombay THE TIMES OF INDIA in English 17 Jun 82 p 9

[Text]

NEW DELHI, June 16: Mr. R. N. Malhotra was nominated today as India's representative on the executive board of the International Monetary Fund.

Mr. M. Narasimhan, who is now on the IMF executive board, will succeed Mr. Malhotra as the economic affairs secretary in the finance ministry.

Mr. Malhotra, during the recent Indo-British negotiations on economic co-operation and earlier while negotiating the massive IMF loan, as distinguished himself through his grasp over the details and knowledge of international finance.

The appointment of Dr. Manmohan Singh as the next governor of the Reserve Bank to succeed Dr. I. G. Patel will be announced soon. Dr. Patel is joining as director of the Indian Institute of Management in Ahmedabad.

Mr. P. P. Nayyar, who is now the chief secretary to the Bihar government, is being appointed as a special

secretary to the home ministry. This new post in the ministry is being created to deal exclusively with the special problems of the eastern states.

Mr. Bastle Karim, who is now working for an international development agency in Yugoslavia, is being appointed as the director-general of bureau of public enterprises in the rank of a secretary.

Mr. S. Ramanathan, special commissioner for the government of Karnataka here, will be the new secretary in the department of chemicals and fertilisers.

Mr. K. V. Ramanathan, at present secretary in the department of chemicals and fertilisers, will move to the planning commission as officer on special duty in the same rank.

It is understood that this appointment is related to the impending change in the planning commission, when Dr. Manmohan Singh, member-secretary, takes up a new assignment as governor of the Reserve Bank of India.

CSO: 4220/7510

MALHOTRA MEETS WITH PRESS ON RETURN FROM PARIS

IDA Credit Uncertain

Bombay THE TIMES OF INDIA in English 19 Jun 82 p 1

[Text]

THERE is a great deal of uncertainty regarding the flow of IDA credit, which is of critical importance in maintaining the concessional flow of aid, next year.

Indicating this at a press conference here today, the secretary of economic affairs, Mr. R. N. Malhotra, expressed satisfaction over the aid commitment for the current year.

Mr. Malhotra, who has returned after the Aid India Consortium meeting in Paris, told newsmen that the development assistance totalling \$ 3.6 million pledged represented an increase in dollar terms of 5.7 per cent over the last year's commitment of \$ 3.4 million in terms of special drawing rights (SDR), the assistance pledged amounted to \$ 3.3 million as against \$ 2.8 billion last year. The increase in SDR terms thus worked out to 17 per cent.

Elaborating on the uncertain aid outlook for the next year, the secretary said though some of the countries had indicated that they would increase the flow of assistance, there were several others who had yet to make up their mind. He said Norway

had declared that it would raise the level of aid from the current level of 0.7 per cent of GNP to 0.76 per cent next year.

Answering a question, Mr. Malhotra dispelled the apprehension that the rate of utilisation of foreign assistance was low. Giving statistics, he claimed that in fact in some cases India had even exceeded the limit.

Asked whether the consortium pledges included credit for the Paradip steel plant and super thermal plant, Mr. Malhotra said these were outside the aid commitment. Answering a question as to how the government proposed to resolve the balance of payment problem, Mr. Malhotra said this would require larger commercial borrowings and a major thrust in the field of import substitution. During 1980-81 the commercial borrowing amounted to Rs. 800 crores, and in the preceding year it had come up to Rs. 900 crores.

Mr. Malhotra expected a great deal of saving on imports because of increase in the indigenous production of oil and other essential commodities.

Fears of Recession Discounted

Calcutta THE STATESMAN in English 19 Jun 82 p 1

[Text] Fears of general recession in the country were discounted today by Mr B. N. Malhotra, Secretary in the Department of Economic Affairs. He said that all that was happening was an adjustment of the demand and supply position in some sectors of industry.

Among the sectors he identified in a chat with reporters were commercial vehicles and tractors where bookings had been made in advance by people who found themselves without funds to make the purchases.

Mr Malhotra said there was a tendency to blame money supply and the credit restrictions for the so-called recession, but this was not the case. He agreed, however, that some demand would inevitably remain unsatisfied when credit restraints were imposed.

Referring to fertilisers--imports of which have now been curtailed--Mr Malhotra said farmers were not making immediate purchases simply because stocks were available in depots and they saw no need to buy in advance of their needs.

He said prices were "very much in control and we hope to keep it under control". The slight rise in the wholesale index since May would need to be watched. He attributed this to the fact that the comparison was with May 1981, when prices were declining.

Consortium Pledge

Mr Malhotra, who led the Indian delegation of the Aid-India Consortium meeting in Paris earlier this week, said the \$3.66 billion pledge represented an increase of 5.7% over last year in terms of the U.S. dollar, but was as much as 17% in Special Drawing Rights, the unit of account of the International Monetary Fund.

He hoped for a better mix of the World Bank International Development Fund aid this year and thought that the small amount of \$900 million disbursed by IDA last year would not be repeated. (IDA gives virtual grants, unlike the World Bank which charges about 12.5% interest a year).

Mr Malhotra said that aid utilization had been good and had improved recently and cases of commitments lapsing were now rare. Since most of the aid was tied to projects that took four or five years to implement, the average rate of 23% of utilization last year was thought to be good. In the meantime, aid in the pipeline continued to grow.

Mr Malhotra felt that the solution to the balance of payments problems lay in import substitution, especially in such vital and strategic areas as oil. This year, India would produce 21 million tons of oil, compared to just 10 million tons a couple of years ago. The actual rate of increase of imports had started declining.

The position was also expected to improve in the next three or four years when the inflow of commercial loans--totalling Rs 1,700 crores in the last two years--started with the implementation of projects they were taken for.

CSO: 4220/7518

SHEIKH'S SON URGES ADOPTION OF RESETTLEMENT BILL

New Delhi PATRIOT in English 19 Jun 82 pp 1, 7

[Text] State Works Minister Ghulam Mohammad Shah, son-in-law of Chief Minister Sheikh Abdullah, has given an ultimatum to State Governor B K Nehru to "either give assent to the Resettlement Bill or quit your post."

Significantly, articulation of the hardened attitude of the ruling National Conference by Mr Shah comes in the wake of persistent reports that the unstable state of the Sheikh's health was causing concern in his family and that it had led to accentuation of the race for succession between Mr Shah and his brother-in-law, Dr. Farooq Abdullah. Mr Shah had so far been maintaining a relatively low profile over this contentious issue. Sudden shift in Mr Shah's stand followed reports that the Sheikh was down with yet another stroke of his chronic ailment.

Earlier, reports had placed Mr Shah in the doves camp who were said to be trying to persuade the Sheikh against the escalating crisis over the controversial 'Resettlement Bill.'

Addressing a public meeting at Kanaspura in Baramulla district yesterday, Mr Shah asserted that if the Governor did not give assent to the Bill, 'then he has no constitutional justification to continue in his office. The Governor of this State was bound by loyalty to the constitution of the State and all his functions had to be in accordance with this allegiance,' Mr Shah added.

He said that 'We are watching as to how Governor Nehru fulfills his constitutional obligation. If he feels the Bill needs some modifications, he should refer it back to the legislature for reconsideration and not detain it unduly as he has been doing.'

According to section 78 of the State constitution, if the Bill is referred back by the Governor and it is again adopted by the legislature 'with or without modification suggested by the Governor' it automatically becomes law irrespective of whether the Governor gives his assent to it or not.

Mr Shah claimed that the state's accession with the Indian Union was 'limited to three subjects only, namely defence, foreign affairs and communications. The State enjoys full internal autonomy in all other matters.'

The National Conference leader charged that the State Government was 'being pressurised by the Centre. But we cannot be cowed down by these tactics', he said.

He alleged that 'it looks as if India wants to rekindle the flames in Kashmir. If they are out to do that then let it be known that we are also ready to jump into the field of action. We will leave no stone unturned in 'defending our rights,' Mr Shah said.

Mr Shah explained that while there had been no objection to giving 'shelter' to 60,000 (non-Muslim) refugees from West Pakistan who were not state subjects a lot of noise was being made when we are now trying to resettle genuine residents of the State. Mr Shah claimed that the Sheikh had consented to return to power in 1975 only because 'Indira Gandhi had pleaded with him to come forward and save the sinking boat of the State. We sincerely wanted to open a new chapter. But they seem to be out to rekindle old flames.'

The Minister charged that Centre had been discriminating against the State in matter of allocation of central funds for development.

The ruling party hardened stance on the Resettlement Bill with strong anti-Centre bias on one hand indicates deepening political crisis in the State while on the other it seems to be fuelling the race for succession within the Sheikh family.

CSO: 4220/7519

RAO ADDRESSES INDIA-ARAB FRIENDSHIP MEETING

Bombay THE TIMES OF INDIA in English 20 Jun 82 p 1

[Text] India is in touch with other non-aligned countries for a discussion on the Israeli aggression against Lebanon. Addressing a meeting organised here by the All-India Indo-Arab friendship association, the minister for external affairs, Mr. P.V. Narasimha Rao, today said India was also in touch with the countries immediately concerned.

Referring to a suggestion made by some speakers at the meeting for a conference of non-aligned countries on the issue, Mr. Rao, however, said nothing should be done without prior consultation with the countries immediately concerned.

Deviating from the written text of his speech circulated earlier, Mr Rao said that at the recent Havana meet of non-aligned bureau, when the news of Israeli aggression broke "everything else paled into insignificance".

He said that is the U.S. he had occasion to discuss the matter with foreign ministers of some Western democracies and they were equally shocked. They, however, confessed that there was very little pressure they could build upon Israel.

Mr. Rao said the real question in West Asia was that of "total lawlessness" in the world affairs by a small country armed to the teeth.

This had a destabilising influence on the whole region, he added.

Condemning the Israeli aggression, Mr. Rao said India would stand firm in its support for freedom and statehood for the Palestinians, under the leadership of the PLO.

"Their losses are our losses, their victories are our victories," he said.

Mr. Rao said this war carried within itself the threat of escalation into a "much larger conflagration". Israel had to stop and vacate aggression. It had to be restrained and made to see reason by those who were in a position to do so he said.

Mr. Rao said this "naked aggression" added yet another "sordid chapter" to Israel's "already infamous history of misdeeds". It was obvious that Israel's aggression on Lebanon was "premeditated and carried out with cold-blooded precision", he added.

KASHMIR GOVERNMENT'S ANTI-PALESTINE STANCE SCORED

New Delhi PATRIOT in English 20 Jun 82 p 7

[Text] The Kashmir Council of the All India Peace and Solidarity Organisation yesterday condemned the State Government in disallowing pro-Palestine demonstration in the city last week and arresting about 20 activists and supporters of the organisation.

Addressing a press conference here, Farooq Niazi, convener of the joint relief committee formed by AIPSO and General Union of Palestinian students in Kashmir, alleged that the attitude of the State Government towards the Palestine question ran counter to the policy of Government of India. He said that while the State authorities had harshly acted against pro-Palestine demonstrators, certain other elements known for their extra-territorial loyalty and rank communalism (Jammati-Islami and its militant youth body Jamiati-Tullaba) were being given free hand to promote their activities, including holding of demonstrations whenever they chose to. Mr Niazi said that they had given advance notice to the district authorities for holding the pro-Palestine demonstration in the city on 12 June. But instead of allowing the demonstration to be held, the police swooped on the activists and sympathisers of the AIPSO at night arresting more than 20 persons. Next day when a group of demonstrators tried to take out a procession and hold a public meeting they were forcibly dispersed by the police. Mr Niazi was whisked away and released later in the evening.

Mr Niazi disclosed that most of the 50 Palestinian students studying in Kashmir had left for the battle front in Lebanon. The joint relief committee was collecting funds, blood plasma and other items for being despatched to the Palestinian fighters through the External Affairs Ministry.

CSO: 4220/7522

GANDHI TO HEAD PANEL TO IMPLEMENT 20-POINT PROGRAM

Bombay THE TIMES OF INDIA in English 17 Jun 82 p 9

[Text]

NEW DELHI, June 16 (PTI).

THE Prime Minister, Mrs. Indira Gandhi, will head a new cabinet sub-committee which will oversee the implementation of the revised 20-point socio-economic programme, it is learnt.

The sub-committee will comprise senior cabinet ministers, especially those dealing with economic ministries.

The Prime Minister has emphasised the need to give a new thrust to the 20-point programme and the chief ministers are being urged to set up similar committees at the state level.

While the responsibility for the implementation of the individual programmes will be that of state governments and the Union ministries concerned, Mrs. Gandhi is understood to be taking personal charge of the work of directing and monitoring the

programme.

The secretary (co-ordination) in the cabinet secretariat will be placed in additional charge of co-ordination in relation to the 20-point programme implementation.

The Prime Minister's secretariat is receiving monthly reports of the implementation of the sectoral programmes on the basis of which action is being initiated, wherever necessary, to ensure that all the targets set are fulfilled.

Directions have been given to all agencies of the government to do their utmost to ensure that the targets are fulfilled.

The enforcement agencies have also been assured that there would be no shortage of funds for the programme and that no activity would be allowed to suffer for lack of finance.

Mrs. Gandhi has been reviewing

the progress of implementation in many areas in a series of meetings she has had with senior officials and teams of scientists and other experts.

The power irrigation dryland farming, rural employment afforestation and social forestry programmes, fixation of land ceilings and distribution of surplus land to the landless and other rural families have been discussed at such meetings.

Reports from the states, according to official sources, show that there has been good progress in the family planning programme in many states during 1981-82.

The target for 1982-83 is 4,400,000 sterilisations but family planning is part of a wider maternal and child health programme, all aspects of which are being given attention, the sources said.

CSO: 4220/7510

REPORT ON UN ENVOY'S 10 JUL SPEECH AT SPECIAL SESSION

Madras THE HINDU in English 11 Jul 82 p 12

[Text]

India today expressed its disappointment at the outcome of the second U.N. special session on disarmament by dissociating itself from the conclusions adopted by consensus by the plenary meeting.

In a strongly worded statement, Mr. N. Krishnan, India's permanent representative at the U.N. told the conference: "We were convinced that we could not in good conscience go to our own people and claim that by accepting such a consensus text, we had in fact either served their genuine interests or responded to their urgent concerns".

"India's commitment to the cause of peace and disarmament remains unshaken but we believe that in these difficult and dangerous times, conviction and principle are more important than consensus".

The Indian delegate minced no words in calling the conference a "complete failure". He conveyed India's sorrow and anguish that the conclusions of the conference failed to do even minimal justice to the depth of concern and anxiety felt by people all over the world at the prospect of nuclear war.

"Exercise in futility": "The tragedy of this exercise in futility is that having fooled ourselves, we are now trying to fool the world. But the cosmetics cannot hide the reality which lies behind".

Observers said the Indian decision to dissociate itself from the conclusions of the conference could be regarded as non-participation. The Indian delegation apparently decided that as nobody wanted to force a vote, it should register its protest in this manner.

The conference, which was originally scheduled to end last night was extended to a final sitting this morning. At the ad hoc committee's session which formally adopted the conference document by consensus, India's permanent representative at the U.N. in Geneva, Mr. A. P. Venkateswaran, announced his delegation's decision to dissociate itself with the final report.

Mr. Venkateswaran said India had hoped that narrow security concerns of Individual States, major powers in particular, would not

be allowed to stand in the way of adopting certain urgent and necessary measures for the survival of mankind.

Issues overlooked: The conference had abdicated its responsibility to the U.N. and the international community as a whole, he said.

"We have clearly failed to address ourselves to most important issues in failing to provide any answer to the dilemma which bedevils the governments and peoples, namely, the contradiction between arms race and development," Mr. Venkateswaran said.

Mr. Venkateswaran said the report of the second special session would only serve further to promote the growing cynicism towards, and lack of credibility in the United Nations system.

In his statement before the plenary today Mr. Krishnan said India had hoped that the United Nations would become the vehicle for fulfilling the hope of mankind that the threat of a nuclear holocaust would be removed.

"It is, therefore, with a sense of sorrow and anguish that we have witnessed the complete failure of the session to fulfil any of the substantive tasks on its agenda".

Mr. Krishnan said the report gave no indication that the session had taken seriously the hopes of the vast majority of countries and peoples of the world. "On the contrary, it had merely provided a fig leaf to cover its failure to address the real issues facing the world in a sober and forward looking manner".

"We have failed because even that highest of priorities, the survival of mankind, has been a casualty in the interplay of the narrow approach adopted by the powerful nations amongst us," Mr. Krishnan said.

A draft group chaired by India was asked to prepare a document that would list urgent measures including proposals for a convention on the prohibition of the use of nuclear weapons, a freeze on the production, development and deployment of nuclear weapons and a complete test ban treaty. The document attracted wide support but no consensus could be attained within the non-aligned group. — PTI.

CSO: 4220/7604

INDIA

INDIA URGES PRC TO MAKE PRICING AGREEMENT

Calcutta THE SUNDAY STATESMAN in English 11 Jul 82 p 1

[Text] An advance party of high-ranking officials led by the Foreign Secretary, Mr M. K. Rasgotra, will leave for Washington next week to prepare for Mrs Gandhi's eight-day visit to the USA from July 27, reports PTI.

The other members of the party are Mr K Natwar Singh, Secretary in the External Affairs Ministry, and Mr Arjun Sengupta. Additional Secretary in the Prime Minister's secretariat.

The Prime Minister will have a two-hour meeting with President Reagan on July 29, according to the tentative schedule of her programme. No agenda has been worked out for the talks and it is not customary to do so at this high level.

It is expected here, however, that the White House meeting will be confined to broad exchange of views on major problems of general concern. The Prime Minister herself does not intend, it is believed, to raise any bilateral questions, which she would leave to officials and others accompanying her to deal with.

Authoritative circles here recognize that differences exist in the assessments of the international situation by the two countries. The efforts of the Indian side will be to provide an analysis of the concerns, the interests and the values influencing India's perceptions.

According to sources, India believes that many things that the U.S. Administration is doing is not in this country's interests, as for example, the supply of sophisticated F-16 fighter aircraft to Pakistan, which had attacked India before and which faces no special threats requiring use of such weapons.

The military assistance to Pakistan as such is unlikely to be in the focus of the discussion as India has had the occasion at the official level to explain its stand.

The Prime Minister, who had her first meeting with Mr Reagan in Cancun last year, will, however, put across India's point of view once again if the American President wishes to know. In any review of the south Asian situation, Afghanistan is bound to come up for discussion. India's position on this remains unchanged, namely, that while the presence of the Soviet troops in Afghanistan did not directly pose any threat to India it was against interference by troops or any other form.

WORLD BANK STUDIES INDIAN ECONOMY, PLEDGES AID

New Delhi PATRIOT in English 16 Jun 82 pp 1, 7

[Text]

PARIS. June 15 (PTI)—The World Bank Consortium today decided to extend development assistance to India totalling 3.66 billion dollars for the year 1982-83.

The decision came at the end of a two-day scrutiny by the Consortium, of the performance of the Indian economy during which there was all round appreciation of the significant progress the economy had made in the last year.

The level aid pledged by the Consortium represents an increase in dollar terms of 5.7 per cent over last year's commitment of the order of 3.4 billion dollars.

In terms of Special Drawing Rights (SDR), the assistance pledged this year amounts to 3.3 billion as against 2.8 billion last year. The increase in SDR terms amounts to 17 per cent.

Leader of the Indian team R N Malhotra, secretary, Economic Affairs, expressed satisfaction at the outcome of the Consortium meeting and said there was a highly appreciative endorsement of the strategy which India was following for increasing production and raising the standard of living of its people.

It was the 25th meeting of the Consortium. Chairman of the meeting David Hopper, vice president of the World Bank, in an apparent compliment of India's progress expressed the hope that

there would be no need for a golden jubilee.

Of the aid of 3.66 billion dollars, the World Bank's group share will be 2.2 billion dollars and the rest is made up of pledges from 13 member countries. Many of them including Britain, West Germany, Canada and Japan offered marginal increases in their level of aid. The American contribution remained static at 210 million dollars.

The Indian delegation had reason to be satisfied with the total aid commitment of the Consortium this year taking into account the recession in many of the industrialised countries and the consequent, "aid weariness" on their part.

Mr Malhotra said the Consortium took note of the fact that the inflow of concessional assistance to India had declined during 1981-82. Most members expressed concern on this development and strongly urged that there should be increased flow of concessional resources to India in support of its development programmes.

In particular, they regretted that there had been a steep decline in the IDA assistance to India in the last year and urged that India must continue to receive substantial assistance from IDA if the objective of the in-

flow of concessional resources was to be achieved.

Many countries in the Consortium had urged that India's share of 40 per cent of IDA assistance must be maintained.

It was understood that the United States skipped the issue of IDA assistance but nevertheless appreciated the need to maintain the flow of concessional resources to India.

Mr Malhotra said there was appreciation at the meeting of the programme India had adopted for development as well as adjustment to a very difficult balance of payments position, the increases in production in agriculture, industry and improvements in the functioning of the infrastructure which had resulted in substantial increase in agricultural industrial output.

The Consortium shared the view of the Indian Government that while it had made a major success of its short-term management of the economy and had brought down the rate of inflation notably to very low levels while maintaining growth, the balance of payments situation had deteriorated further mainly because of exogenous reasons.

The main reason was the steep increase in the price of energy imports as well as steep increase in the price of many other imports. On the other hand the price available to India's exports had declined giving a major setback to India's terms of trade.

Mr Malhotra said the level of debate in the Consortium was of a high professional order and manifested the great interest Consortium members continued to take in India's massive developmental efforts.

Answering questions on IDA assistance, Mr Malhotra said last year an indication was given that an amount of 1.6 billion dollars would be committed to India for the 1982 fiscal year. Because of disruption of IDA six which reduced the overall flow of availability of IDA funds and also because of disproportionate reduction in India's share, IDA could commit resources of only 900 million dollars.

There was even a steep reduction of IDA resources. The shortfall in IDA resources was made up by providing more resources from the bank window where interest rates were commercial. This implied an adverse mix of IDA-bank resources. Whereas originally a mix of 80 per cent IDA resources and about 20 per cent bank resources was contemplated, in the event, the mix became about 60 per cent bank money and 40 per cent IDA resources. In terms of interest alone it cost in the initial stages about 100 million dollars per annum.

Mr Malhotra said India hoped this 60-40 per cent ratio could be corrected but there were still some uncertainties about IDA.

During the discussions two or three areas of concern were mentioned. One was that while generation of electricity in the last year had shown healthy growth some lags had developed in the commissioning of new power projects. It was noted in this connection that some of the lags would be made up in the next one or two years.

The other area on which some comments were made was the need to provide larger funds to the railway sector. Here again it was noted that the Government of India had already decided to supplement the allocations to the railway sector substantially.

CSO: 4220/7509

BUSINESSMEN'S GROUP MAKES EXPORT RECOMMENDATIONS

Bombay THE TIMES OF INDIA in English 16 Jun 82 p 7

[Text]

AN export target of Rs. 8,500 to Rs. 8,700 crores for 1982-83 has been projected by the Federation of Indian Chambers of Commerce and Industry (FICCI) in its annual export plan presented to government.

The document, submitted to the Union commerce minister, Mr. Shivaraj Patil, by the chairman of the foreign trade sub-committee of the FICCI, Mr. Govind Hari Singania, on Monday, projects a growth rate between 11.84 per cent and 14.47 per cent.

Releasing the plan at a press conference here, Mr. Singania said the estimated provisional figure of exports for 1981-82 would be Rs. 7,600 crores.

Referring to the imperatives of growth rate, the document underlines the need for taking concerted measures in restoring viability of external account through efficient import replacement measures and result-oriented export facilities.

Mr. Singania said in the current year, due to liberalisation, coupled with dumping of goods by overseas suppliers because of the prevailing recession abroad, there might be some increase in imports.

To make up the trade gap, the plan lays emphasis on augmenting export production, strengthening infrastructure and adopting appropriate marketing strategy.

Mr. Singania said the achievement of the target would very much depend on the growth items like engineering goods, gems and jewellery, chemicals and wool besides sugar, which in the present situation offers good scope for exports.

In a letter addressed to the commerce minister Mr. Singania said, an endeavour had been made in the plan to indicate the imperatives of export growth and the urgency of improving, on a continuing basis, the domestic environment for production and exports.

The need for a consultative council to review the problems and find solutions to them has also been stressed in the plan.

The FICCI has suggested that the council should make a quarterly review of achievements and shortcomings in different items and promote better coordination of export services.

According to the chamber, during 1982-83, export credit of the order of Rs. 2,300 crores has to be made available.

Of the total export projections for 1982-83 a target of over Rs. 1300 crores has been fixed for engineering goods, Rs. 900 crores for gems and jewellery and over Rs. 630 crores for readymade garments, including those made of handlooms.

The plan stresses the need to create a congenial production and export environment, it was vital to maintain industrial harmony, adequate infrastructure like power, port facilities, and railway transport.

It underlines the importance of selectivity in trading, improvement of quality and packaging of goods and an effective information system.

The document also emphasises the need for stability in export policy and making the scheme for 100 per cent export units more practical.

The FICCI has said the export-oriented units should be allowed to sell 25 per cent production in the domestic market and urged the present cash compensatory support scheme should be made more scientific.

The plan suggests that the rate of interest charged by banks on export credit should be brought down and the period of credit extended from 90 days to 100 days in most cases.

The chamber has suggested that direct tax relief on export earnings should be directly related to the increase in export turnover, if this exceeded ten per cent, or to reintroduce the tax credit certificates scheme.

The simplicity of calculation and the availability of relief in situations in which exports are profitable or not would provide a stimulus to export performance, according to the plan.

The document points out that India's exports had not grown in the same proportion as world exports since the country's overall effort had not been responsive enough to the changing world environment.

It emphasises that for encouraging export-oriented production, it was necessary that production for exports was commercially viable and that export policies were reasonably stable.

The plan has pointed out that frequent changes in export policy had to be avoided to enable manufacturers and exporters to make efforts for a sustained export drive.

It was imperative that export policy in respect of agricultural products should be announced as early as possible, in other cases, the policy formulation should be of a longer duration and announcements made atleast six months before the expiry of the current policy.

The document expressed the hope that the newly set up Exim Bank, would devise constructive packages and would also enter into financing arrangements with the banks in the Middle East so that project authorities accept guarantees by Indian banks without the need for local counter guarantees.

The document felt it might be relevant in the context of the existing scheme of duty drawback, to explore the possibility of introducing the value added tax system in India.

CSO: 4220/7508

BUSINESSMEN MEET PRESS ON RETURN FROM PRC

New Delhi PATRIOT in English 20 Jun 82 p 7

[Text] The political climate in China is very favourable to India and the Indo-Chinese trade has a very bright future, reports PTI.

This is the impression gained by a three-member delegation of the India-China Chamber of Commerce and Industry (ICCCI) which visited that country on the invitation of the China Council for the Promotion of International Trade (COPIT) during May-June this year.

Addressing a press conference in Delhi on Saturday the members of the delegation said the trade between the two countries had already exceeded the 100 million dollar mark excluding indirect trade. This was, however, just "chicken feed" compared to over 10 billion dollar Chinese trade with Japan but it was on the increase.

They said China was interested in buying among other things refined sugar, cotton and pig iron from India. Besides China was likely to throw its doors open for import of consumer items.

The delegation members said they suggested to the Chinese that in having joint ventures with other developing countries, they should not insist on purchasing technology "first hand" or on closure of home market for sale of items produced under joint ventures.

One of the delegation members offered them collaboration for the manufacture of moped and scooters, the western technology for which was imported in India 22 years ago. India had in the meantime become world number two in this line and was in a position to export the technology on its own. This should not be considered by China as second hand. Since the offer did not involve use of foreign exchange by China it should agree to sale of part of the production in internal market, the delegation told the Chinese.

They said the proposal would receive serious consideration, the delegation members said.

The Chinese side invited the Indians to submit a detailed project report in regard to manufacture of "mopeds and scooters."

Representatives of the Ministry of Foreign Trade in China assured the Indian delegation that its proposal for exchange of handicrafts and handlooms on product exchange basis would receive serious consideration.

The Chinese side also agreed to consider the possibility of setting up permanent display centres for Indian products in China and for Chinese products in India.

CSO: 4220/7522

CPI SECRETARIAT MEMBER TALKS TO NEWSMEN

New Delhi PATRIOT in English 20 Jun 82 p 4

[Text] CPI leader M N Govindan Nair has said his party attaches prime importance to work up a secular and democratic consensus in support of two major issues--ministry formation through elections only and not be defections and, consolidation of class forces against caste and communal policies.

Talking to newsmen here today the CPI central secretariat member said it was time to call a halt 'once and for all' to the politics of defection by amending the People's Representation Act.

Mr Nair pledged unreserved support to the recommendation of former Election Commissioner S L Shakdher to counter defections by law. In this regard he said the CPI and other Opposition parties of the Left Democratic Front in Kerala would support any legislative measure the United Democratic Front Government might introduce in the State Assembly.

Mr Shakdher had suggested amendment of the election law for automatic disqualification of an elected member, should he defect to any other party.

Mr Nair said defection had become a scourge of public life and the question before the country today was whether the Parliamentary system would survive with defections plaguing it.

He said the State legislatures should honour the mandate at the hustings and see to it that governments are not formed by defections.

He said the present Karunakaran Ministry in Kerala should remain assured that the Opposition LDF would not try to unseat it by encouraging defection. It could run its full term of five years in office unless it dug its own grave, he added.

Referring to the communal tension prevailing in some areas of neighbouring Tamilnadu from where he had just returned after an on-the-spot study, the CPI leader said the disturbances there followed a set pattern of caste conflict and communal violence witnessed earlier in the Meenakshipuram and

Kanyakumari. He said the division among ordinary people on caste and religious lines proved much stronger than the political, secular and class cohesion among them.

Mr Nair, who had visited the riot-torn areas in Tirunelveli for two days, accused the Tamilnadu Government of resorting to 'repressive measures' to contain violence. 'This will not work,' he added.

The CPI leader said repressive measures alone would not help defuse the explosive situation.

CSO: 4220/7522

GANDHI INVITED BY NEW MAURITIAN GOVERNMENT

New Delhi PATRIOT in English 20 Jun 82 p 1

[Text] The new Leftist Government of Mauritius has invited Prime Minister Indira Gandhi to visit the island and also declared its desire to further strengthen the ties of friendship between the two countries, according to Government sources.

Mrs Indira Gandhi is the first foreign dignitary to whom the newly-installed Government has extended an invitation, through the Indian diplomatic mission here.

The Leftist alliance (MMMPSM) Government headed by Mr Aneeruda Jugnauth, has received a message of congratulation from Mrs Gandhi after its landslide victory in last week's poll.

The invitation to the Indian leader reflects the new Government's keen interest in not only improving economic links as in trade and industry, but also to discuss issues of common interest particularly the demilitarisation of the Indian Ocean.

It is not known whether Mrs Indira Gandhi would accept the invitation for an early visit in view of her planned trips abroad including US in the last week of July. Government sources here project the visit for mid-July and say it would go a long way clearing up any misunderstanding due to the 'ambiguous stand' on the Indian Ocean issue on the part of the predecessor Government headed by Sir Seewoosagar Ramgoolam. As and when Mrs Gandhi comes it will be her third visit here. The two earlier visits were in 1970 and 1976.

The new Mauritian Government appears to count much on Mrs Gandhi's support when it is to press the United States for the return of Diego Garcia where the US has built a military base.

The Government considers launching a diplomatic offensive aimed at rallying international support behind it in its struggle to get back all its detached

territories such as, Diego Garcia, Agalega, Tromlin and Chagos archipelago. In this operation, the Mauritian Government deems it important to enlist India's support.

The invitation of the Mauritian Government to Mrs Gandhi fits in with its foreign policy having much in common with Indian Government's non-alignment.

CSO: 4220/7522

INDIA

SECURITY FORCE PLANNED TO PROTECT HARIJANS

Calcutta THE STATESMAN in English 9 Jul 82 p 1

[Text] The Centre has issued necessary instructions for the setting up of village security force to protect the life and property of Harijans, Mr R. Venkataraman, Home Minister announced in the Lok Sabha tonight, report PTI and UNI.

People belonging to Scheduled Castes should be appointed to one of the key posts concerned with law enforcement, he said replying to a five-hour special discussion on atrocities on Scheduled Castes.

The recurring atrocities on the Harijans engaged the attention of the Rajya Sabha where the Minister of State for Home Affairs, Mr N. R. Laskar said the Government did not think that the grant of free arms licences to Harijans in vulnerable areas would help prevent the attacks on them.

In the Lok Sabha, Mr Venkataraman announced a three-point plan of action to enable Harijans to get payment of minimum wages, tenancy rights and allotment of surplus lands.

The motion for the special discussion was tabled by Mr Ram Vilas Paswan and Mr B. V. Desai.

Sharing the concern of members on the atrocities on Harijans, Mr Venkataraman rebutted the Opposition charge that the Government had not paid adequate attention to the welfare of the Scheduled Castes and Scheduled Tribes.

In fact, he asserted, that more allocation had been made for their wellbeing and all steps were being taken to ensure their economic betterment.

CSO: 4220/7597

'ENORMOUS' SECURITY OPERATION PLANNED FOR ASIAD

Bombay THE TIMES OF INDIA in English 16 Jun 82 p 9

[Text]

THE massacre of Israeli sportsmen at the Munich olympics of 1972, the spate of bomb scares triggered by the discovery of dynamite sticks at Palika Bazar, the growing West Asian conflicts and the global escalation of terrorism have made the special organising committee of the Asian games highly conscious about the need for security for the 5,000 athletes and the host of vips who will descend on the capital in November.

The security operation for the games are getting as much attention as to the building of stadia and the arrangements for staging the 21 events. Officials of the special organising committee are reluctant to talk about the enormous security operation that has been set in motion. The hush hush is for good reason.

The intelligence bureau (IB) has begun collection, collation and dissemination of intelligence for the Asiad both within and outside the country. An interim report has been prepared.

The selhi police will work closely with the IB. About 9,000 policemen will be deployed specially for the Asiad. Additional police forces from outside Delhi are being requisitioned. The services of 1,500 home guards and NCC cadets will be utilised for the opening and closing ceremonies and for guarding vital installations at the venues of the games.

Largely for security reasons, Israel and Kampuchea have not been invited to the games. Ever since the Munich outrage, the organising countries have been reluctant to take the risk of inviting Israel. A meeting of the Asian Games Federation in Bangkok in 1978 even requested the international committee to transfer Israel to the European zone where it has fewer enemies. So exclusion of Israel from the list of 31 countries invited for the games has raised no eyebrows.

VISA SYSTEM

The system of visas for tourists, revoked in 1967 to mark the UN world tourism year, is being reintroduced from September 1 so that a strict watch can be kept on tourists coming to India for the games. The differences between Iraq and Iran, North and South Korea and Pakistan and Afghanistan have made it necessary to keep participants from these countries separate, happy and, above all, secure. All this will have to be accomplished without much of regimentation or show of arms so as not to dampen the spirit of the games.

The work on a new international departure lounge at Palam is being speeded up so that traffic for the games can be routed through it alone. The building with a separate parking lot is expected to be ready by October 2. Till the end of the games it will serve as the entry and exit point for all participants.

It will have 16 counters for customs and 12 for immigration. While most of the participants are expected to arrive by commercial flights, countries like Japan with 500 participants are expected to use chartered flights.

Some 200 buses with armed guards inside will rush the participants straight from the airport to the games village at Siri Fort. The 126 golden passholders, the VIPs of the Olympic and Asian games, will also have special security though they will be accommodated in five-star hotels.

Entry to the Asian games village will be strictly regulated. Those staying in the villages and their visitors will enter only through the reception centre. For the service personnel, however, a separate service entry through Shahpurjat village has been provided.

Every one staying or serving in the village will have an identity card. But this will not prevent his being screened before entry to the village.

Two X-ray baggage scanning machines are being installed at the reception centre of the village. Air-India

is importing these machines and gifting them for the games. Two special rooms are being constructed for installation of the machines. An array of sophisticated electronic equipment, ranging from metal detectors to letter bomb detectors, is to be used.

A controller of security will look after security at the village. Assisted by three deputy controllers he will ensure peace and harmony at the village. Just outside the village a police station is being established and the village fenced off from prying members of the public. Uniformed deployment will, however, be kept to the minimum.

The Delhi police have prepared stadia-wise plans for law and order and security at the 17 stadia, the main being the Jawaharlal Nehru Stadium. For security purposes the Indraprastha indoor stadium, the Ambedkar stadium and cycle velodrome will be treated as one complex.

Special security arrangements will have to be made for the railway stadium, the Shivaji stadium and the national stadium in the heart of the city.

An IAF helicopter will be assigned to aerial patrolling and overseeing traffic management.

In collaboration with the Delhi police, the National Rifle Association of India has worked out in detail the security plans for arms and ammunition being imported for the shooting events. The security arrangements for shooting and equestrian events will be in the hands of the army as these events are being held at venues under its control.

The traffic and security arrangements for the 40-km. marathon, the 50-km. walk and 185 km. cycling race are proving a difficult problem because the route in all cases passes through crowded areas in the city and the outskirts.

The Indian continental and Chinese food being prepared for players and VIPs will be tasted and sampled by both the ITDC as well as the security police.

CSO: 4220/7508

INDIA

RAO ANSWERS LEGISLATORS' QUESTIONS ON PAKISTAN

Calcutta THE STATESMAN in English 9 Jul 82 p 1

[Text] The Government is considering "in all its implications" the draft no-war pact which Pakistan has sent this country, according to the External Affairs Minister, Mr P. V. Narasimha Rao. He told the Lok Sabha during question hour today that the talks to follow on the draft pact would cover every relevant subject, including Kashmir.

Till now, he said, there had been no discussion. All that had happened was that Pakistan had sent the draft pact. All issues mentioned by members "will arise only when the discussion takes place.

Answering Mr Virdhi Chander Jain (Congress-I), Mr Rao said: "On every point we shall talk with Pakistan." Would such a no-war pact conflict with other bilateral agreements, specifically the Indo-Soviet treaty, Mr Subramaniam Swamy asked. "I see no conflict," Mr Rao told him.

He told Mr Chandrajit Yadav (Lok Dal) that the treaty of friendship and cooperation India had proposed to Pakistan "is a wider thing," with the no-war pact as a part of it. What shape the larger treaty would take "remains to be seen" he added.

Mr Rao also told Mr Yadav that India's proposal for a joint commission had been readily accepted by Pakistan, "and we have sent them for consideration a draft on the establishment of such a joint commission."

Answering another member's point on whether the Simla agreement itself was not enough, Mr Rao said that India had raised that question when, after saying that the Simla agreement was in itself a no-war pact, Pakistan offered another non-aggression pact. "We asked them whether they had changed their opinion," he said.

Pakistan was "not going against the Simla agreement," and the Pakistani Government "thought the agreement would be fortified by a no-war pact." This particular aspect also would be further discussed, Mr Rao added.

He told Mr Karan Singh that the legal and constitutional position of the territories under Pakistan's occupation would also be discussed. "Our stand

is clear and firm," he added. Answering Mr Biju Patnaik (LD), Mr Rao suggested that the question of mutual reduction of armaments would follow a no-war pact, and not precede it.

The main question was whether Pakistan had proposed a new no-war pact between India and Pakistan and what the Government of India's reaction to it was. Mr Rao said: "Pakistan has given us a draft of an agreement on non-aggression on June 1, 1982. We are examining Pakistan's draft and will convey our reaction in due course. Discussions will continue during the Foreign Secretary's visit to Pakistan in August."

Some recent statements by Pakistani leaders about Kashmir do not seem to be in conformity with the letter and spirit of the Simla accord, Mr Rao said, add UNI and PTI.

There has been no positive response from the Pakistani Government to India's repeated requests to reopen the Khokrapar-Munabad checkpoints on the land border, Mr Rao said.

CSO: 4220/7597

INDIA

INDIAN REACTION TO CONFERENCE PROPOSAL 'POSITIVE'

Madras THE HINDU in English 10 Jul 82 p 9

[Text] India has reacted positively to the proposal of the three Indo-Chinese Foreign Ministers (Vietnam, Laos and Kampuchea) for a major international conference on South-East Asia, according to the Vietnamese Ambassador in India, Mr Nguyen Quang Tao.

The Ambassador called at the External Affairs Ministry to acquaint the Indian side with the conclusions of the Foreign Ministers conference, particularly the offer of a unilateral partial withdrawal of Vietnamese troops from Kampuchea and the suggestion for an international conference.

He said today that New Delhi's reaction to the idea of a conference, to which India was proposed to be one of the invitees, was positive. This, according to him, was in keeping with India's policy of contributing to the maintenance of peace and stability in South-East Asia.

The three Foreign Ministers who proposed the international conference commended India's participation because it was a "neighbouring country which for a very long time has kept relations of friendship with the South-East Asian countries and greatly contributed to the safeguarding of peace in Indo-China and in the region for the past 20 years."

The participants proposed were: ASEAN members (Thailand, Singapore, Indonesia, Malaysia and the Philippines), Burma and the five big powers, the Soviet Union, U.S., U.K., France and China.

The Ambassador said the Foreign Ministers' decisions were prompted by a desire to strengthen trends towards dialogue and discussions rather than confrontation, and in particular to promote contacts among South-East Asian countries, and to maintain the rapid improvement in the situation in the region, "in spite of the efforts of Beijing."

He did not attach any significance to the "return" of Prince Sihanouk to Kampuchea and asked: "Return where? Which is the territory held by the reactionaries in Kampuchea? They are only on the borders. Sihanouk cannot play any role in the present situation."

CSO: 4220/7601

INDIA

IMPROVEMENT IN PUBLIC SECTOR PERFORMANCE NOTED

Madras THE HINDU in English 10 Jul 82 p 9

[Text] Public sector undertakings controlled by the Department of Industrial Development achieved 81.58 per cent of the target set for them for April and May, it was announced here today.

Their aggregate output in these two months amounted to Rs 52.91 crores against a target higher than their combined output during the corresponding months in 1981. Some units performed outstandingly well exceeding the target set for them.

Among these is the Cycle Corporation of India Ltd, with an output of Rs. 3.02 crores in April-May, 106.71 per cent of the target of Rs 2.83 crores. But this was marginally below the output of Rs 3.04 crores in the same months in 1981.

The Kota and Paighat units of instrumentation Ltd, achieved a cumulative output of Rs 51.25 lakhs in April-May against a target of Rs 55.79 lakhs. The performance was 44 per cent higher than the output of Rs 35.57 lakhs during the corresponding months last year.

84 per cent above last year: The Cement Corporation of India Ltd, during the first two months of the current financial year, achieved production worth Rs 12.77 crores. This represents over 77 per cent of the target for the period and is nearly 84 per cent higher than the Rs 6.67 crores worth of production in the corresponding period last year.

Andrew Yule and Co Ltd, achieved an output of Rs 3.59 crores in April-May which was nearly 92 per cent of the target of Rs 3.87 crores and 66.71 per cent more than the company's production of Rs 2.13 crores in the same months in 1981.

National Newsprint and Paper Mills Ltd, achieved a production level of Rs 4.23 crores in April-May representing nearly 89 per cent of the target of Rs 4.76 crores. But it was 5.54 per cent less than the production of Rs 4.48 crores in the corresponding period in 1981.

CSO: 4220/7601

INDIA

LANDING PERMITS FOR FOREIGNERS TO CONTINUE

Madras THE HINDU in English 10 Jul 82 p 9

[Article by G. K. Reddy]

[Text] The Government has decided to let the status quo continue for the time being in the grant of landing permits to foreign tourists, despite the denial of reciprocal facilities to Indian nationals in other countries, which have been tightening up the visa regulations.

There was a move at a fairly high level in the Government to introduce visa regulations for all categories of foreign visitors including tourists. But the Prime Minister has intervened to let the existing facilities continue for the present, in view of the Government's policy of developing tourism.

The various tourist organisations and hotel associations had made representations to the Government against the proposed move to introduce a visa system. They felt that the Indian bureaucracy being what it is would be a serious impediment to the development of tourism, even if casual visitors are required to obtain visas from the Indian missions abroad.

At present the foreign tourist get visas at the airport itself for a period of 30 days on their arrival cutting across a lot of avoidable delay and cumbersome procedures. But strangely enough no such facilities are available for tourists from neighbouring countries other than Nepal and Bhutan, whose nationals enjoy unrestricted entry into India.

CSO: 4220/7601

PLANS TO ABOLISH TOURIST VISAS PROCEED

Bombay THE TIMES OF INDIA in English 15 Jun 82 pp 1, 4

[Text] Overruling objections from the external affairs ministry and ignoring protests from hotel and travel trade, the government is going ahead with its proposal to abolish tourist visas.

The Federation of Indian Chambers of Commerce and Industry standing committee on tourism had appealed to the government not to withdraw this tourist facility as it would have adverse effects on foreign tourism in India.

The government has, however, decided to postpone the date of withdrawal of this facility from July 1 to September 1. This has been done mainly because the external affairs ministry has expressed its inability in positioning the required number of personnel to process visas in its 170 missions abroad.

The government wants the external affairs ministry to finalise the necessary arrangements at least a month before the commencement of Asian Games in mid-November.

Tourists were exempted from visas in 1967 to mark the United Nations world tourism year. Since then the facility has been renewed every year by a government order.

The purpose of exempting tourists from visas was mainly to boost tourism. It was felt that counsellor staff of Indian missions abroad was inadequate to meet demands for visas from visitors in early 1960s when the number was less than one lakh - now it is more than eight lakhs. Visa applications were pending for a period ranging from a week to 30 days.

The idea to withdraw the facility has been mooted mainly for three reasons: first, some countries like Canada and West Germany which allowed Indians to enter those countries without visas withdrew the facility from Indian nationals. Secondly, it fears violence by Iraqis and Iranis - the two nations which are engaged in a prolonged war. Thirdly, it fears entry of protagonists of "Khalistan", many of whom are settled in Canada and U.K. The government does not want to face the unhappy situation created by some Arab extremists who killed a dozen Israeli sportsmen at the Munich Olympics.

In last March, a high-level meeting was convened under the chairmanship of the cabinet secretary and the decision was taken to withdraw the system of tourist visas from July 1.

At this meeting, the secretary, department of tourism, first put up a weak resistance to the idea and then accepted the proposal. The ministry of external affairs did express its opposition to the proposal. Later, when the new secretary, foreign affairs, Mr. M.K. Rasgotra, took over, senior representatives of hotel and travel trade met him and explained the adverse effects the proposal would have on foreign tourist receipts.

They explained that tourism had slumped already and for the first time negative growth rate is likely to be registered during the current year. They explained also how tourism was hampered in India because of tortuous health and immigration procedures, inadequate air terminals, hostile customs, non-availability of concessional fares and inadequate surface and air transportation. They also explained that tourism being one of the top foreign exchange earning industries, tourists from certain countries with high tourism potential should continue to be exempt from visas. They had no objection to introducing visas for visitors coming from other countries.

The foreign secretary, Mr. M.K. Rasgotra, wrote to the ministry of home affairs detailing reasons why tourist visas should not be withdrawn. One of the reasons given was that due to financial constraints not more than 150 additional counsellor staff could be sanctioned, which would mean not even one additional staff per Indian mission abroad. The government has obviously overruled him.

CSO: 4220/7504

REGIONAL HILL PARTIES FORUM MEETS IN SHILLONG

Calcutta THE STATESMAN in English 15 Jun 82 p 9

[Text] Leaders of regional parties in the North-east, particularly from the hill areas, have made it clear that the North-Eastern Council, as structured, is not acceptable to them, since it is no longer an advisory body; it is gradually eroding the autonomy of the constituent States and Union Territories of the region.

Leaders of national parties in the region share such apprehensions. The forum of regional hill parties, at its recent session in Shillong, severely criticized the role and functioning of the council. It formed a committee to examine the affairs of the council and submit its report, with "definite proposals", at its three-day meeting at Kohima from August 18.

The committee significantly includes Mr B.B. Lyngdoh, former Chief Minister of Meghalaya, who made parliamentary history by stepping down voluntarily to accommodate Captain Sangma under a solemn agreement and who now appears set to create more history. He is currently building up an image as a "defender" of regional autonomy and an implacable critic of what he calls the "imposition" of Chief Ministers, wherever feasible, by the Congress (I) high command.

Mr Lyngdoh is the leader of the dominant faction of the APHLC, one of the three partners of the ruling forum or coalition in Meghalaya, with a Congress (I) Chief Minister in Capt. Sangma.

The coalition was the brainchild of Mr Lyngdoh, who is now campaigning on a regional tack in this pre-election year. The forum could be, and perhaps will be, kept alive for some more months, but it is coming apart at the seams.

The Chief Minister of Mizoram, Brigadier Sailo, a key member of the hill forum, also is critical of the tendency among some leaders at the all-India level to mistake uniformity for unity, without trying to understand the "diverse cultural and traditional heritages".

They recall the federal character of the Constitution to preserve the cultural diversity. Brig. Sailo believes that the regional parties can play a positive role and States should get back their autonomy, as envisaged under the Constitution.

The Brigadier is especially sore about Mizoram not being made a State, since Statehood was a part of the package which the Centre sepcifically offered Mr Laldenga during the peace negotiations. His views on the NEC are implicit in the feeling among Mizos - that the Union Territory is treated as a junior partner.

External Pressures

Arunachal's moving spirit in the hill forum is Mr Tomo Riba, leader of the Opposition. He is among the few to understand the developing pressures in Arunachal and has the patience to wait for a public mandate. Mr Riba holds that the discussions at the NEC are not fully representative. He would prefer co-opting with chosen Opposition leaders in the Arunachal delegation for the NEC meetings. This would ensure that the electorate in general, and not merely the ruling party, help shape the discussions.

He cites the example of Arunachal's big hydel project being given a lower priority because of alleged political pressure and lobbying by leaders of the bigger constituents. According to him, the Arunachal project was to be taken up before the Kopli and Garo Hills thermal project but the priority was changed in subsequent NEC discussions.

Apart from political moves to refashion the NEC, the Centre has contributed its bit by failing to name a chairman as a successor to Mr L.P. Singh or, since there are two Governors in the region, deciding on whether the post will be held by rotation or not.

Regional parties have helped enlarge the field of aspirants by staking the claims of the Chief Minister.

CSO: 4220/7506

INDIA SEEN UNABLE TO FULFILL 1982 TEXTILE CONTRACTS

Bombay THE TIMES OF INDIA in English 17 Jun 82 p 1

[Text]

IT is now almost certain that India will not be able to honour its textiles export commitments during the current year. Because of the textile workers strike in Bombay, the country has lost opportunities of larger textiles exports.

According to official sources, the Soviet Union had offered to import 200 million metres of textiles from India this year. But keeping in view the serious production constraint, the latest estimate shows that, at best, it would be possible to export about 140 million metres only.

The government had received offer of textile imports from a number of other countries as well, which could not be accepted because of the erosion in production capacity.

Official circles concede that the future outlook for textiles export looks grim. The strike in Bombay which commenced on January 18 this year has not only inflicted a crippling blow to exports this year, but has also affected India's credibility as a reliable source of supply.

OPPORTUNITY LOST

Apart from the textile workers strike, the other factor which adversely affected textile export prospects include the new multi-fibre agreement concluded last year. This agreement contains a number of prohibitive measures. The industry sources point out that even though India has not been able to fulfil its quota for textiles to a number of countries, the blame cannot be put entirely on the Indian exporters.

A number of countries, such as Hong Kong, Taiwan and Korea have been able to surpass their quota limit while India has lagged behind. Owing to historical reasons and an understanding between the exporters and importers, some countries have been able to take full advantage of the quota allocation.

Textiles exports have been growing up, though not rapidly during the past few years. From Rs. 292.83 crores in 1980-81, textile exports during 1980-82 had gone up to Rs. 300 crores. During the current year, the exports could have easily gone up by another Rs. 75 crores at least. But because of the sharp decline in production, the target has been fixed at Rs. 240 crores.

According to the export plan for 1982-83 recently submitted to the government by the federation of Indian Chambers of Commerce and Industry, India is well equipped to become a top exporter of textiles, endowed as it is with home-grown cotton, manufacture of inputs such as man-made fibres and yarns, and a well developed textile machinery industry combined with availability of skilled manpower and top managerial skills.

But in spite of these favourable factors, countries like Hong Kong, Taiwan, Korea, Japan and Italy, which import cotton and process it for export, have emerged as leading exporters while India has been lagging behind.

The FICCI study has revealed that two important factors affecting the growth of cotton textile exports of this country are a freeze on weaving capacity of the mill sector and the cascading tax system.

CSO: 4220/7510

POWER-GENERATING CAPACITY TO BE RAISED SOON

Bombay THE STATESMAN in English 21 Jun 82 p 9

[Text] To meet the current power shortage in the country as soon as possible, the Ministry of Energy has decided to augment the generating capacity. During the current financial year, generation of 3,500 MW of additional power is proposed, against 2,175 MW last year, marking an increase of 61%. In 1980-81, 1,823 MW of additional capacity had been added.

Apart from augmenting the power generating capacity, the possibility of increasing the capacity of existing units is also being examined by a committee set up by the Ministry. The programme includes uprating the capacity of Bhakara by 150 MW over the existing capacity of 1050 MW, an increase of nearly 15%. Work on uprating of some of the units has been implemented. Uprating of thermal units at Indraprastha in Delhi, Talcher in Orissa and Obra in Uttar Pradesh is under consideration.

The Ministry of Energy has also taken a series of measures to maximize power generation from the existing thermal units. The measures include setting up of task forces to help State electricity boards draw up plant improvement programmes in a time-bound schedule. The Ministry has been holding regular dialogues with the States about measures for the improvement of power stations, and guidelines for improved performance have been issued from time to time. As a result of these measures, the capacity utilization of thermal power stations has increased from nearly 45% in 1980-81 to 47% in 1981-82. The utilization factor is expected to go up further to nearly 50% during the current financial year.

An official release claimed today that power generation increased significantly over the past two years. In 1979-80, 105.5 billion units of power were produced. The generation figure for 1981-82 was nearly 123 billion units marking an increase of over 16% during the two years. The generation target in 1981-82 was also exceeded by nearly one billion units. For the current financial year a target of 132 units has been fixed which would mean an increase of 25% over the 1979-80 figure of 105.5 billion units.

During the first 2 1/2 months of the current financial years, the power output has recorded an increase of 1.4 billion units over the corresponding period last year. This year 26.5 billion units of power was produced from

April onward, against 25.1 billion units produced during the same period last year.

UNI adds: India and the Soviet Union will sign an agreement tomorrow on the supply of power generating sets for the first stage of the 1260 MW Vindhyachal thermal power station at Vaidhan.

India will be represented by the National Thermal Power Corporation chairman, Mr A. K. Shah, and the Soviet side by an official of the "Texnopromiexport", a Soviet organization dealing in the supply of technical and industrial equipment to foreign countries.

CSO: 4220/7525

CRUDE OIL PRODUCTION REPORTED TO RISE 30 PERCENT

New Delhi PATRIOT in English 17 Jun 82 p 5

[Text]

Production of petroleum crude in the country during the first two months of the current financial year showed a 30 per cent increase over the production during the same period last year, reports PTL.

During April-May 1982, oil production from onshore and offshore together produced 3.202 million tonnes of crude compared to 2.47 million tonnes in April-May last year. Out of the 3.202 million tonnes, the contribution from Bombay High offshore was 1.856 million tonnes, nearly 75 per cent more than last year's 1.062 million tonnes for the two month period according to an official press release on Wednesday.

ONGC's production coming from Bombay High and the Gujarat and Assam fields totalled to 2.706 million tonnes during April-May compared to 1.962 million tonnes of the same period last year, showing an increase of nearly 38 per cent.

Oil India's fields in Assam produced 0.496 million tonnes of crude which is 2.4 per cent lower than the April-May production of 1981-82.

The production from the 12 refineries in the country in terms of crude throughout was 4.834 million tonnes during the first two months of the current financial year. Last year's figure for the two month period was 4.802 million tonnes.

CSO: 4220/7511

WHOLESALE PRICES REPORTED RISING AGAIN

Calcutta THE STATESMAN in English 10 Jul 82 p 9

[Text]

NEW DELHI, July 9.—After a continuous decline for nearly nine months, prices have started rising again. The wholesale price index—the official measure of inflation—has risen by just over 4% in May and June, thereby reversing the earlier declining trend.

The rise is persisting and has caused concern because of the steady upward trend of the index for nine continuous weeks, during at least two of which it rose by a heavy 0.9%. The negative annual inflation rate recorded in April has now been replaced by a 3.5% rise.

Officials are concerned at the rise because seasonal prices normally fall after a harvest. The price rise has come at a time when stringent anti-inflationary policies like restrictions on credit and money supply are in force and the supply situation is satisfactory.

The current assessment is that the rise started when there was speculation that the rabi harvest would be below normal because of damage caused by the unseasonal rain and hail in northern States last Winter. The damage is now thought to have been much less than feared.

Procurement of wheat has, in fact, reached the record level of nearly 7.5 million tons although this is partly due to the lowering of standards by official purchasing agencies which have bought discoloured and slightly damaged wheat that would normally have been rejected.

Nevertheless, this has meant that the present grain stocks have risen to around 15 million tons, which is just above the 12 million tons considered a safe level for buffer stock purposes.

The speculation that is thought to have triggered the current price rise has been again fueled by the possibility that 1982 will be a poor monsoon year and thus lead to a further drop in agricultural production. The monsoon has been delayed but it is still early to forecast a failure. The psychological impact of the delay has, however, been felt on prices.

If the monsoon does prove to be below normal, fears are that inflationary forces will gain strength and the rise in prices will persist. Contingency plans to deal with this situation are being formulated. At present, food imports are not planned yet but these may become unavoidable if the monsoon continues to play truant.

The main reason for the rise in the wholesale index is the upward trend of the "food articles" and several items like fruit, vegetables and eggs. Even in the manufactured products group, the index for the "food products" sub-group has moved up.

CSO: 4220/7600

BRIEFS

GUJARAT CABINET CHANGE--In a surprise move, the chief minister, Mr. Madhavsinh Solanki, has changed the portfolio of the deputy minister, Mr. Kiritsinh Gohil, from home to irrigation. A notification regarding the change of portfolio of Mr. Gohil was today circulated among the ministers and the concerned departments. Mr. Gohil was camping in his home town in Bhavnagar. The chief minister, who was present in the Sachivalaya, did not meet the press to explain the sudden change in Mr. Gohil's portfolio. A spokesman for the government, however, clarified that Mr. Gohil's portfolio has been changed to facilitate an "independent" and "impartial" inquiry against the deputy minister, who was alleged to have been involved in a rape case and was also facing some corruption charges. [Text] [Bombay THE TIMES OF INDIA in English 15 Jun 82 p 1]

FRENCH LOAN--A loan agreement in the amount of US \$16.50 crores was signed in Paris by Banque Nationale De Paris acting as lead manager together with Banque Francaise du Commerce Extérieur, the official French long term export credit financing agency, on the one hand and Oil and Natural Gas Commission on the other hand last month. This loan finances by means of a buyer's credit the works and services being carried out by the French company entepose GTM Pour Les Travaux Pétroliers Maritimes (E.T.P.M.) under a contract signed in January last with O.N.G.C. by which E.T.P.M. is to supply and install an off shore oil production complex in the Ratnagiri off shore oil field. This is the first French export credit to be extended directly to O.N.G.C. and marks a further stage in the continued involvement of both E.T.P.M. and B.N.P. in the field of oil production and the exploitation of India's oil resources. The loan agreement was signed in Paris by M. Ramanujachari, member of the board of O.N.G.C. in charge of finance, while M. Bahadur, director at the department of economic affairs of the ministry of finance, signed the guarantee for and on behalf of the President of India. [Text] [Bombay THE TIMES OF INDIA in English 15 Jun 82 p 10]

PALESTINIAN STUDENTS--Seventy Palestinian students left here for Damascus today by a Syrian Arab Airlines flight to join the Palestinian forces in Lebanon. Another 100 to 200 students are expected to leave for Damascus in the next few days "depending on how many of them will be able to come to Delhi from Bangalore, Madras, Hyderabad and other places," according to a spokesman for the students. There are an estimated 800 Palestinian students in India. Meanwhile, about 20 to 30 Palestinian students are still occupying

the Arab Cultural Centre at Chanakyapuri to protect against the lack of adequate support for the Palestinians fighting against Israeli forces in Lebanon from some Arab quarter. They had moved in there on Saturday. The students have stuck posters on the glass doors of the centre and put up placards, one of which said, "Ronald Reagan is no good, send him back to Hollywood." A police posse kept guard outside the compound. The spokesman said that no airline was willing to issue them tickets. When one of the students angrily butted in to say that even the Syrian Arab Airlines had initially refused to give them tickets, the spokesman asked him not to say so in Arabic. The spokesman said that India was co-operating more with them than most of the Arab countries. Asked about their families, he said that they were scattered in all the arab countries, especially in Jordan and Kuwait. But they would not be allowed to leave those countries for Lebanon. [Text] [Bombay THE TIMES OF INDIA in English 15 Jun 82 p 9]

SOVIET EXPERTS TEAM--A team of visiting Soviet experts recently completed, on behalf of the U.N. Industrial Development Corporation, the First stage of evaluation for construction of silicon-aluminium alloys plant at Chatrapur in Ganjam district Orissa, according Indian Rare Earths Press release. The evaluation is expected to be completed by October. The quantum of sillimanite concentrate to be produced by Indian Rare Earths, a subsidiary of the Department of Atomic Energy, will be sufficient to feed a plant with capacity to produce 150,000 tonnes of silicon-aluminium alloys a year, it added. [Text] [Calcutta THE STATESMAN in English 15 Jun 82 p 13]

NEW ELECTION COMMISSIONER--Mr. R. K. Trivedi, chief vigilance commissioner, will take over as the next chief election commissioner of India on June 18. He succeeds Mr. S. L. Shakdher, who is retiring tomorrow. Mr. Trivedi, 61, retired IAS officer of U.P. cadre, will remain in office for five years or till he attained the age of 65, whichever is earlier. His appointment has been made by the president under article 324 of the constitution for "the superintendence, direction and control of the preparation of the electoral rolls for, and the conduct of, all elections to parliament and to the legislature of every state and of the elections to the offices of president and vice president." Mr. Trivedi, who joined the U.P. civil service on July 14, 1943, was selected for the IAS under the special emergency recruitment scheme in 1949. [Text] [Bombay THE TIMES OF INDIA in English 17 Jun 82 p 1]

CONTRACT WITH ROK--South Korea has entered India's sprawling offshore oil industry after winning a lucrative \$250 million contract for an off shore platform project, it was announced here, reports PTI. Under the contract, yet to be signed, Seoul provides a chemical water-treatment plant to inject into the drilling, meant to increase the pressure in the well, the supplier said. The Oil and Natural Gas Commission has signed a letter of intent with South Korea, and the contract will be signed soon, the supplier said. In an effort to upgrade the offshore technology, ONGC officials visited leading offshore equipment yards, and approved the deal with a South Korean yard, claimed to be the world's biggest. Seoul offered an unequalled price, and beat Japan and others, in an effort to join India in the search for self-sufficiency in oil. To explore what has come to be known as an "underwater oil pool", ONGC is shopping around for modern offshore equipment such as dredging plants, supply vessels and water-treatment plants. South Korea

will supply the platform by March '84, the announcement said. Before the conclusion, a financial package has to be assembled, according to sources, and the ONGC will soon discuss the credit terms. The plant will be constructed in a South Korean yard, the supplier said. [Text] [Calcutta THE STATESMAN in English 18 Jun 82 p 9]

NEW EXTREMIST ORGANIZATIONS--Among the extremists organisations in Manipur, there are two new ones--"Young People's Army" and "Free Guard"--according to the coduments seized recently by police during a raid at Khundrakpam, about 19 km from here. Police here said today that though the movements of leaders of these organisations were known, no arrests had been made so far. The ourlawed People's Liberation Army (PLA) has suffered yet another setback, they said, following the arrest of its leaders, Senjam Budha Singh and Thockchom Robin Singh, at Taretkhul, about 18 km from here on June nine last. [Text] [Bombay THE TIMES OF INDIA in English 19 Jun 82 p 7]

TEAM TO PRC--An official delegation led by Col S P Wahi, chairman, Oil and Natural Gas Commission (ONGC) is leaving for China on Sunday to explore possibilities of mutual cooperation in the field of oil exploration between the two countries, reports UNI. The other members of the delegation are Mr K Krishnamurthy, Director, (Refineries), Hindustan Petroleum Corporation, Mr K L Goel, Joint Director (Reservoir), INGC, Mr J S Mishra, Joint Advisor (Petroleum), Planning Commission and M P Modi Joint Secretary, Petroleum Ministry. [Text] [New Delhi PATRIOT in English 20 Jun 82 p 5]

RETURN FROM PRC--The Chinese leadership is not in a hurry to solve the country's border problem with India but is more interested in developing trade and cultural relations with it, according to the Hind Mazdoor Sabha secretary, Mr. Brij Mohan Toofan, who visited China recently with an HMS delegation. "India-China problem is not considered a burning issue as the Chinese leadership desires to develop relations first in trade and culture", Mr. Toofan said in a statement here today. The other members of the delegation which met the Chinese Prime Minister, Mr. Zhao Ziyang, were the HMS general secretary, Mr. D. D. Vashisht, Dr. Shanti Patel, MP, and Mr. Thampan Thomas. [Text] [Bombay THE TIMES OF INDIA in English 21 Jun 82 p 5]

'HEADLESS' MISSIONS--New Delhi, July 9: Ten indian missions abroad are "headless" at present, according to information given in parliament today. The mission at Paramaribo in Surinam has been without an ambassador since November 1980. The other missions without an ambassador are--at Brussels, Seoul, Pyongyang and Panama (all since July 1), Berne (since March), Lisbon (since April), Mexico (since June), Amman (since November 1981) and Vientiane (since May). [Text] [Bombay THE TIMES OF INDIA in English 10 Jul 82 p 5]

ENVOY TO BANGLADESH--New Delhi, July 9 (PTI): Mr Inder Pal Khosla, joint secretary in the ministry of external affairs, has been appointed high commissioner for India to Bangladesh in succession to Mr Muchkund Dubey. Mr Khosia is presently on deputation to the National Defence College as senior directing staff. [Text] [Bombay THE TIMES OF INDIA in English 10 Jul 82 p 5]

ABRAMOWITZ NOMINATION PROCEDURE QUESTIONED

Jakarta SINAR HARAPAN in Indonesian 7 Jun 82 p 8

[Article by Annie Bertha Simamora, SINAR HARAPAN reporter: "Reconstruction of the Background to the Nomination of Morton Abramowitz as U.S. Ambassador to Indonesia"]

[Excerpts] What can it be than must be settled between Indonesia and the United States? The post of the U.S. ambassador to Jakarta that has been vacant for 7 months since Edward E. Masters left this country for retirement.

The continued vacancy astonishes people. Queries are raised about it frequently at diplomatic receptions and parties in Jakarta, and it has even reached the point where wives of ambassadors are asking about it. Perhaps for them it is not the political implications of the vacancy which are of interest but rather knowing who might be appointed and what the wife of the new U.S. ambassador might be like.

Early in October 1981 the name of an ambassadorial nominee was bruted about in Jakarta although it had not been submitted officially by the State Department to the RI Department of Foreign Affairs. That name vanished in thin air. In a conversation with two U.S. diplomats at a dinner party in Jakarta during the first week of January, one of them regretted there was no ambassador in Jakarta although, he said, a nominee to that position had been studying the Indonesian language for 6 months. Michael H. Armacost is U.S. ambassador to the Philippines now.

The following month another name surfaced, and during the subsequent months that name was associated with news of his rejection as ambassador to the Republic of Indonesia.

Reports about that public figure, Morton I. Abramowitz, reached a peak when two big daily newspapers in America, THE WASHINGTON POST and THE NEW YORK TIMES, carried articles on the controversial nomination of Abramowitz together with a statement of the State Department read by its spokesman, Dean Fischer, for Secretary Alexander Haig, who blamed Indonesia for denying Abramowitz the post of ambassador to Jakarta. Foreign Minister Mochtar Kusumaatmadja's statement the next day noted that the U.S. government had withdrawn the name of this ambassadorial nominee.

Customary procedure dictates that prior to the time an ambassador is posted abroad, the government of the country to which he will be posted expresses what in diplomatic language is called "agreement" or approval. Without this approval, the individual will not be posted to the nation in question.

If, in ascertaining the attitude of the nation in question, it becomes clear that there is lack of agreement, no further mention will be made of the nominee. His name will never be announced as a nominee who has been rejected or even that he was considered for nomination by his government. The good name and career of the diplomat are protected.

The government of the nation in question, in accordance with diplomatic courtesy, usually gives some indication that it rejects or acquiesces to the nomination. If the feeling of that government toward the nominee is negative, the government putting forth the nominee will not submit his name as a nominee officially in correspondence between the foreign affairs departments of the two nations.

Let us return to Morton Abramowitz who was nominated by the U.S. government as ambassador to Indonesia. At the end of April, long before the name was mentioned officially in correspondence with the Indonesian Department of Foreign Affairs, Indonesian diplomats, in accordance with diplomatic courtesy, had informed top diplomatic officials at the American Embassy in Jakarta that there were indications from the Palace, in this respect read the president, that the nomination of Abramowitz would be rejected. In diplomatic practice, such information, if fact, means that it is no use to continue with this nomination.

The RI Department of Foreign Affairs was even astonished that Abramowitz's name was submitted as a nominee in State Department correspondence with the Indonesian Foreign Affairs Department at the end of April. In the meantime State Department spokesman Dean Fischer issued Secretary Haig's statement.

The statement which Dean Fischer read in the afternoon briefing at the State Department in Washington on 20 May was read by USICA Chief Frank Coffey to reporters in Jakarta on Saturday morning, 22 May, and was said to be an official State Department statement.

On the evening of the 21st, John Monjo, charge d'affaires ad interim at the American Embassy in Jakarta, paid a visit to the official residence of Foreign Minister Mochtar without first making the customary appointment through the minister's secretary at the Department of Foreign Affairs. He telephoned earlier on Thursday, 20 May, and was told by a servant at the minister's residence that Foreign Minister Mochtar was in Bandung and would return to Jakarta on Friday, 21 May. On that afternoon Monjo telephoned again before going to the Minister's complex on Gatot Subroto Street. When he arrived on Friday evening, Monjo informed Minister Mochtar that his government was withdrawing Abramowitz's name as nominee for the post of his country's ambassador to Indonesia. He conveyed the promise of his government to submit a new name quickly.

On Saturday, 22 May, Minister Mochtar disclosed to the press at the Bina Graha that the U.S. government had withdrawn the nomination of Abramowitz before the Indonesian government had had an opportunity to respond to it.

Many things astonished people about this matter including the steps taken and the way the American government handled this nomination. When Haig's statement was read by Dean Fischer at the State Department press briefing on the afternoon of 20 May, it was early morning on Friday, 21 May, in Jakarta. Whereas U.S. charge d'affaires a.i. Monjo tried to meet with the Indonesian foreign minister on Thursday to withdraw Abramowitz's name from consideration. Even more surprising is USICA Chief Coffey's remark on Saturday, 22 May, that Dean Fischer had read on official State Department statement.

At first glance it appears that there was no coordination between Monjo and Coffey although the latter was ill in bed at his home in Kebayoran Baru when he read the statement to reporters. Regardless, whatever was done by the two high officials of the U.S. Embassy in Jakarta was done in accordance with instructions they had received from Washington.

Some things ordinarily are not done in diplomatic practice in relations between two nations. One, a nation has never disclosed that another nation has rejected an ambassadorial nominee. Moreover, Secretary Haig's statement, as read by Dean Fischer, was said to be a commentary on a news release which said Indonesia had rejected the nomination. Hence, they did not obtain the news in an official statement. And if Indonesia had already rejected the nomination, why did the State Department feel it necessary to charge Monjo with withdrawing Abramowitz's name?

When the Indonesian foreign minister spoke to newsmen at the Bina Graha on Saturday, 22 May, he began by saying, "Friends, you know I never lie, don't you?" The political implications of that sentence as quoted above are clear. It was not Indonesia who lied!

The way the State Department handled the situation also was unpleasant according to several diplomats knowledgeable about the matter. Months before the Foreign Affairs Department received word of the Abramowitz nomination, Indonesia had forwarded the name of an Indonesian nominee for ambassador to the United States to replace D. Ashari. The State Department offered its "agreement" to the Indonesian nominee. However it seemed as though the State Department was threatening Indonesia for the same letter requested agreement on Abramowitz. Once again, this is not diplomatic practice.

Actually Michael Armacost, now in Manila, was nominated as ambassador to Indonesia and Abramowitz, then in Thailand, was to be given the post in Manila. Yet Haig was thinking about appointing the 49-year old career diplomat, of course an experienced hand, to the post of assistant secretary for Asian affairs. The individual holding that post, John H. Holdridge, would be given the post of ambassador to Manila. As quoted by Don Oderdofer in THE WASHINGTON POST, according to well informed sources in the State Department,

"Abramowitz will rise to the top rung of the ladder for Asian affairs positions where the combination of experience and integrity is the foremost requisite for a state official, in Haig's estimation."

Apparently Abramowitz, as stated in the two big U.S. papers mentioned above, had many enemies in the State Department and in the Pentagon. Initially Holdridge, whose wife was ill, refused the post far away in Manila and threatened to resign from the State Department if sent there. With this threat he eventually was able to hang on to his post.

Those who were unhappy with Abramowitz, as stated in the two daily papers, wrote a memorandum on their concern over Abramowitz to the effect that he was very close to Richard Holbrooke, who had been replaced by Holdridge, and who was disliked by the conservatives now in power and also by persons who liked Holdridge; that Abramowitz held the same political philosophy as McGovern, Muskie, and Mondale; and that his wife had worked on the staffs of Muskie, McGovern, and Carter. The memorandum also said Abramowitz was the architect of the plan for U.S. troop withdrawal from South Korea.

Several persons were said to be the main enemies of Abramowitz. They deliberately published secret information to keep him from obtaining a good position or rising on the career ladder. The enemies included Gen (ret) Richard G. Stilwell who had been U.S. troop commander in South Korea; Daniel G. Arnold, CIA station chief under Abramowitz in Bangkok and considered close to former Thai Prime Minister Kriangsak who stepped down recently allegedly because of lack of support from the United States. Arnold admitted he had quarreled with Abramowitz because after he came back to the United States and retired from the CIA, he returned to Bangkok as a consultant but was registered at the Justice Department as a paid agent of the Thai Government with a beginning salary of \$50,000.

The intrigue toppled another person, an affair which was headlined in European papers as a U.S. domestic matter. "But the burden of responsibility for this matter should not be placed on Indonesia," as two Indonesian reporters in Paris quoted Foreign Minister Mochtar.

As mentioned above, the rejection has not yet been forwarded officially by the Indonesian Government. Several foreign newspapers said Indonesia's reasons for rejecting him included Abramowitz's liberal views, that he was Jewish, or that he was the architect of the plan for U.S. troop withdrawal from South Korea. These reasons were rejected as false by officials in various Indonesian groups. Whatever the reasons might have been, the rejection is certainly the sovereign right of Indonesia. As stated by a top Indonesian official, "Though he has been rejected, they still persist."

President Suharto, who was invited by President Reagan to visit the United States a long time ago apparently is arranging to accept the invitation at the end of this year. It would be good if the U.S. Government quickly repaired its relations with Indonesia, which at present are less than

harmonious because of the matter discussed above. To say that the Abramowitz case has disrupted relations between the two nations perhaps is going too far. But sometimes people's feelings can be hurt as stated by a top official of the Foreign Affairs Department, "Anyone treated this way would definitely feel uncomfortable."

6804

CSO: 4213/63

REVIEW OF COMMITMENTS MADE AT 25TH IGGI MEETING

Jakarta SINAR HARAPAN in Indonesian 10 Jun 82 pp 1, 4

[Article: "\$1.85 Billion IGGI Loan"]

[Excerpts] The 25th session of the IGGI [Intergovernmental Group on Indonesia] held in Amsterdam on Wednesday afternoon [9 June] local time closed with commitments of \$1.85 billion in loans to Indonesia for development projects for 1983-83.

Prof Wijoyo Nitisastro, compartmental minister for economic, financial and industrial affairs, and Rachmat Saleh, Bank Sentral governor, informed Indonesian reporters at the close of the session that this amount had been recommended, based on an analysis made by the World Bank. However, in bilateral negotiations with nations that participated in the IGGI session, the total commitment appeared to be far greater, totaling \$1.925 billion.

This sum is broken down into \$566.9 million from bilateral arrangements and \$1,359.1 million from multilateral international bodies. Commitments have been received from Australia for A\$38 million (A\$35 million last year), Belgium 350 million francs (same as last year), Canada Can\$33 million (Can\$30 million last year), France 340 million francs (300 million francs last year), Japan 63.17 billion yen (58 billion yen last year), the Netherlands 160 million guilders (158 million guilders last year), United States \$95 million (\$105 million last year), West Germany's commitment not given (estimated to be the same as last year, DM 156 million) but to be negotiated in September, Italy \$25 million (only \$5 million last year).

Multilateral sources totaled \$1,359.1 million consisting of World Bank \$925 million (only \$750 million last year), Asian Development Bank \$45 million (only \$337 million last year [as published]), UN Development Fund (UNDP) \$39 million (\$33 million last year), European Community \$12 million (\$14 million last year), UNICEF \$13 million (\$17 million last year), International Fund for Agricultural Development (IFAD) \$25 million (same as last year).

At this meeting Minister Wijoyo said actually the total will be even bigger because a number of countries have not yet stated how much they would commit.

SHIP CONSTRUCTION CAPABILITY GROWING

Jakarta SINAR HARAPAN in Indonesian 5 Jun 82 p 11

[Article: "Investments in Shipbuilding Industry Is Estimated at 180 Billion Rupiah for the Next 3 Years"]

[Text] Sularto Hadisumarto, executive chairman of IPERINDO (Federation of Indonesian Shipbuilding Companies), accompanied by his secretary general, Wasono, said that 1982 was a "year of surprises."

Speaking to the press on Friday [4 June], Sularto stated domestic orders for shipbuilding were valued at 77 billion rupiah, a huge total compared with the far smaller values of previous years.

In early 1982, he said, four drydocks obtained orders valued at 22 billion rupiah from PT Timah to build dredgers. These ships are to be built by a consortium consisting of PT Pelita Bahari, PT Koja, PT Dock Priok, and PT Ineko. Construction of these ships has begun. Weight: 11,000 deadweight tons.

In addition Pertamina has signed a contract for five tankers to be constructed by domestic drydocks. One tanker costs 5 billion rupiahs and weighs 5 tons. Twenty months are needed for construction.

The Sea Communications Directorate General also ordered two dredgers to be built domestically at a cost of 7 billion rupiah each. Two other dredgers are being built in the Netherlands because a loan to build four of them was obtained from that country.

Further, domestic drydocks have received orders for 10 oil rigs for offshore oil production which are to be built by PT Adiguna. The cost of one rig is about 1.6 billion rupiah.

"This is the first time domestic drydocks will be building offshore rigs," Sularto revealed.

Sularto clarified that it is important that domestic drydocks build ship components aside from obtaining these orders.

At present about 20 percent of the ship components are produced in this country. The remainder, such as engines and steel plates, must still be imported. Paint, timber, lifeboats and life jackets as well as manpower, among other things, can be obtained domestically.

Sularto said construction of new ships by domestic drydocks rose by 22 percent in 1981 over the previous year, namely from 18,000 DWT to 22,000 DWT. Ship repair by domestic drydocks rose 8 percent from 786,000 British registered tons for 1980 to 849,000 British registered tons in 1981.

Several foreign companies, Sularto said, are now interested in cooperating with domestic drydocks, including companies from Belgium and the Netherlands. At this time only Japan has invested in domestic drydocks.

In the coming 3 years, it is planned that investment in domestic ship construction will reach about 180.5 billion rupiah for the construction and repair of about 150 ships.

This investment is earmarked for the construction and repair of 200- to 3,500-DWT ships of various types such as dredgers, coastal sailing vessels, ships for transporting asphalt, tankers, passenger ships, and cargo ships. Sixteen domestic drydocks for ship construction and repair are planned.

6804

CSO: 4213/63

INDONESIA

BRIEFS

NEW RECONNAISSANCE AIRCRAFT--A Boeing 737 reconnaissance aircraft ordered by the Indonesian Air Force arrived at Lanuma Halim Perdanakusuma Airfield in Jakarta from the manufacturer on Tuesday [1 June]. The aircraft which is built like a commercial passenger plane is the first of three such aircraft ordered by Indonesia to arrive. The Air Force will use it as a reconnaissance plane as well as a transport plane. No electronic equipment including radar was installed so the interior is still fitted with seats for 104 passengers. According to Marshal Ashadi Tjahjadi, Air Force chief of Staff, the electronic equipment was purchased from another company and is not yet ready to be installed. Construction of the plane was completed so the aircraft was brought to Indonesia. It will be used temporarily to transport personnel. When reconnaissance equipment has been installed in the other two aircraft on order, this first aircraft will be returned to the United States to be equipped for reconnaissance use. The Boeing 737 aircraft was allocated registration number Al-7301 and will be assigned to Squadron 5, Wing 002 of the Indonesian Air Force. [Excerpt] [Jakarta MERDEKA in Indonesian 4 Jun 82 p 8] 6804

CSO: 4213/63

END